

Radio on bird: Stations view it cautiously 51

New anchors, PTAR issue fuel hot TV web news rivalry 54

Computerized TV avails systems make local market headway 56

# Television/Radio Age

SEPTEMBER 7, 1981 • \$3.50

**Here's an offer  
that's short and to  
the point.**



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**Diff'rent Strokes/'84**

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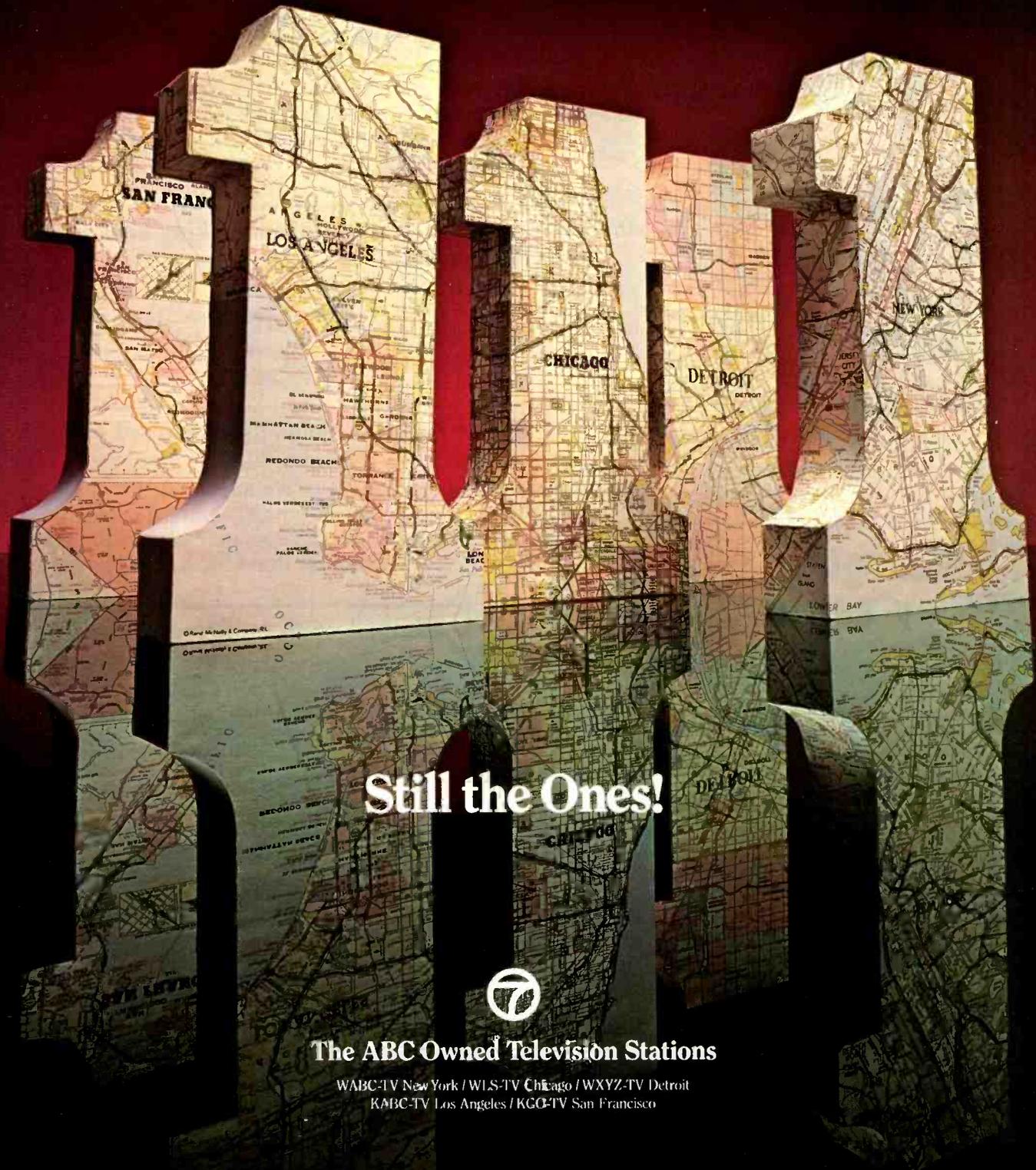
CA 90057

# Television/Radio Age

**Special ratings analysis shows that  
The ABC Owned Television Stations  
lead substantially in Adults 18-49  
sign-on to sign-off and prime time  
in all five markets.**

		Mon-Sun Sign-On/Sign-Off			Mon-Sun Prime Time	
		HH	Wom 18-49	Men 18-49	Wom 18-49	Men 18-49
<b>New York</b>	<b>WABC</b> (ABC)	<b>21</b>	<b>22</b>	<b>20</b>	<b>24</b>	<b>24</b>
	WNBC (NBC)	19	17	20	22	22
	WCBS (CBS)	18	17	20	22	19
	WNEW	16	17	13	7	8
	WPIX	11	11	13	5	11
	WOR	9	6	7	2	5
<b>Chicago</b>	<b>WLS</b> (ABC)	<b>24</b>	<b>32</b>	<b>27</b>	<b>29</b>	<b>25</b>
	WBBM (CBS)	22	21	20	27	25
	WMAQ (NBC)	19	21	20	27	25
	WGN	18	11	20	7	14
	WFLD	14	11	13	5	6
<b>Detroit</b>	<b>WXYZ</b> (ABC)	<b>32</b>	<b>41</b>	<b>33</b>	<b>35</b>	<b>30</b>
	WJBK (CBS)	24	24	25	28	24
	WDIV (NBC)	24	24	25	25	24
	WKBD	12	12	17	5	6
<b>Los Angeles</b>	<b>KABC</b> (ABC)	<b>21</b>	<b>22</b>	<b>21</b>	<b>25</b>	<b>23</b>
	KNBC (NBC)	18	17	14	20	20
	KNXT (CBS)	16	17	14	20	17
	KTLA	12	11	14	10	11
	KTTV	12	11	14	5	3
	KCOP	9	6	7	5	9
	KHJ	6	6	7	3	3
<b>San Francisco</b>	<b>KGO</b> (ABC)	<b>26</b>	<b>31</b>	<b>27</b>	<b>29</b>	<b>26</b>
	KPIX (CBS)	23	23	18	24	23
	KRON (NBC)	17	15	18	18	16
	KTVU	14	15	18	9	13
	KBHK	6	8	9	3	3

Source: Arbitron, May 1981, Prime Time: M-Sa 8-11PM and Su 7-11PM ET; M-Sa 7-10PM and Su 6-10PM CT.  
Analysis and Tabulation Copyright TELEVISION/RADIO AGE.



Still the Ones!



The ABC Owned Television Stations

WABC-TV New York / WLS-TV Chicago / WXYZ-TV Detroit  
KABC-TV Los Angeles / KGO-TV San Francisco

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# Television/Radio Age

Volume XXIX, No. 2

September 7, 1981

## 51 Stations view radio on bird cautiously

Full-service radio programming through satellite distribution is drawing a mixed reception from station executives, but the new technology's importance will be discussed in depth at the upcoming NRBA convention.

## 54 New anchors, PTAR issue add fuel to hot TV web news rivalry

All is not quiet on the network television news front. The network evening news competition is hotter than ever, and possible PTAR repeal revives talk of clearing an additional half hour of early evening network news.

## 56 Computerized avails systems making headway in local TV markets

Mini-Pak's SESAMI avails system and the competing Buy Line system out of Data Communications Corp. have been boosting their lineups of installations at television stations this year.

## 58 ABC study: Radio listeners aren't turned off by commercials

Advertising content plays only a minor role in determining a radio station's image and listeners, according to a study on radio commercials conducted by Statistical Research, Inc. for the ABC Radio Network.

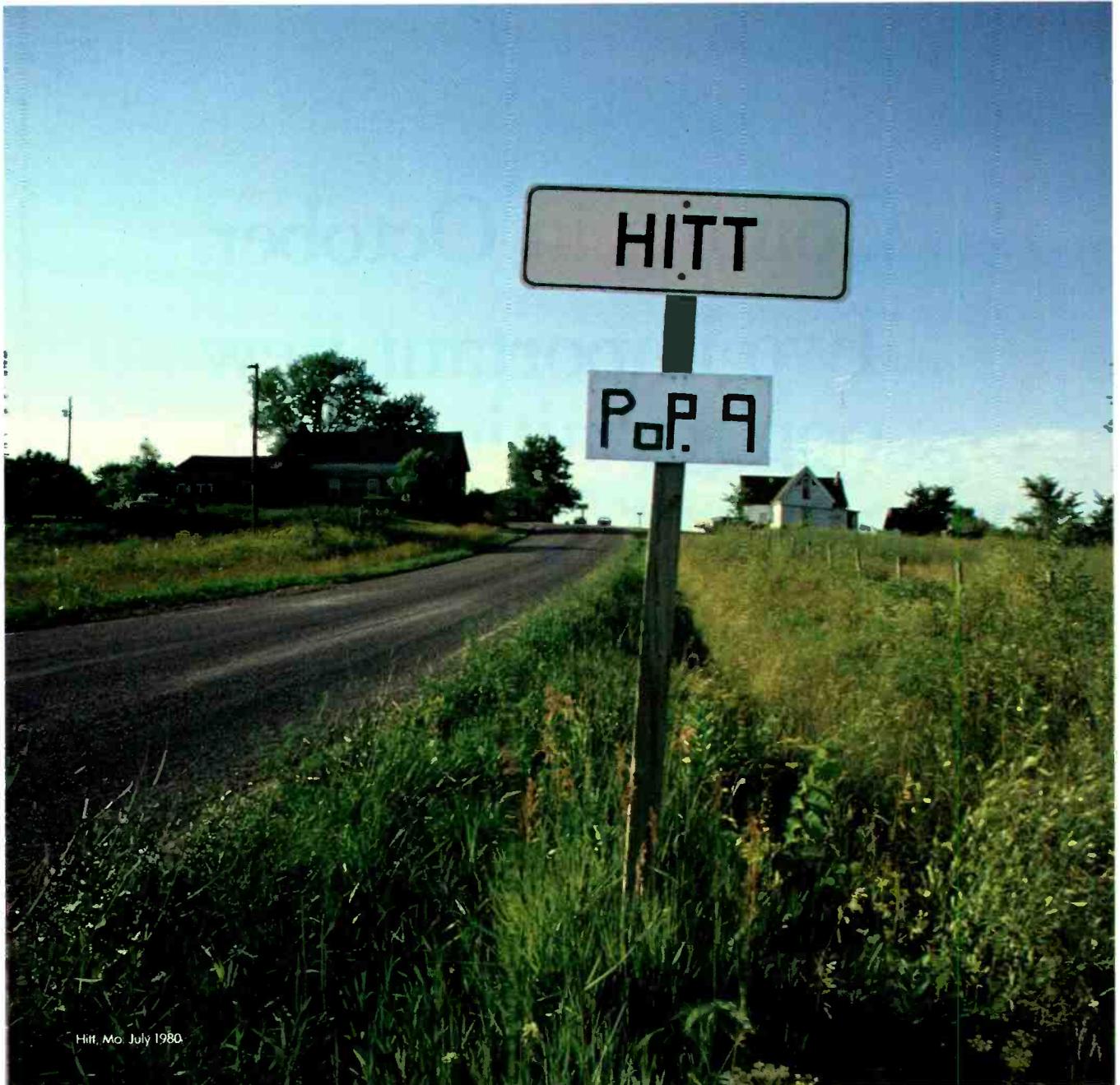
## 60 CCA keeps rolling, despite radio merchandising critics

Although radio merchandising tie-ins have come in for considerable criticism, Community Club Awards continues to play the game to the hilt.

## Departments

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Hitt, Mo. July 1980.

## YOU'D HAVE TO LOOK AWFULLY HARD TO FIND A PLACE WHERE DONAHUE ISN'T NUMBER ONE.

The most popular daily visitor in Hitt, Missouri is the postman. But in 225 markets coast to coast,\* Phil Donahue is the man people can't wait to see.

Seen in over 6 million homes every day, Donahue continues to attract more women 18-49 than Mike, Merv and John Davidson combined.\*\*

His lead in Total Women is double that of his closest competitor.

And with more Total Households than the Davidson and Griffin shows combined, Donahue is the most watched talk show on television.

It's the kind of reception that makes Donahue the number one hometown favorite.

For more information, call Don Dahlman at 513-352-5955.

### DONAHUE

\*Includes Canada, Bermuda, Alaska and Hawaii  
\*\*Source: NSI 5/81 RSP estimates. Qualifications on request



MULTIMEDIA

Multimedia Program Productions, Inc. 140 W Ninth Street, Cincinnati, OH 45202.

# Coming in October.

## Two important new opportunities from Independent Network News.

Phase One started fifteen months ago with Independent Network's nightly prime time newscast.

Independent Network News quickly became a national success: Today it's carried by sixty-nine stations. Reaching 1.9 million homes nightly.

Now, Phase Two:

Scores of leading independents have already signed to broadcast Independent Network's two new major news programs.

**"Midday Edition" Premieres October 5.** America's only full midday network newscast. A half hour of latest national and international coverage, plus features on health, lifestyles, celebrities—and more—geared to the interests of midday audiences. News anchors: the appealing young team of Marvin Scott and Claire Carter. Satellite feed: 11:30 AM, Monday through Friday.

**"From The Editor's Desk."**

**Premieres October 4.** Key figures in national and international affairs, in the spotlight to answer questions about important issues. The moderator:

Richard D. Heffner, an incisive interviewer and respected world affairs authority. The panel: editors of major newspapers and newsmagazines. 30-minute satellite feed each Friday night.

If you want these prestige programs for your station, contact John Corporon, Independent Network Vice President, News, at RTNDA. Or call Nicki Goldstein at (212) 949-8743.

Phase Two is beginning.



Marvin Scott    Claire Carter

*"Nighttime Independent Network News is an established success in San Francisco. We're definitely taking the new 'Midday Edition' and 'Editor's Desk.'"*

Bill White  
Vice President and General Manager  
KBHK-TV San Francisco

*"We know from experience that the excellent quality of Independent Network News attracts viewers and advertisers to KZAZ-TV. That's why we're adding 'Midday Edition' and 'Editor's Desk' to our schedule in October."*

Harry West  
Station Manager  
KZAZ-TV Tucson

*"We've got nighttime INN now and 'Midday Edition' starting in October. We'll have the only prime time network newscast and the only midday network newscast in Houston."*

Gene Jacobsen  
Vice President and General Manager  
KHTV Houston

*"'Midday Edition' and 'Editor's Desk' will be important additions to our schedule this year. Independent Network's news is every bit as good as any network news on the air."*

Errol R. Kapellusch  
Executive Vice President and General Manager  
WBTI Cincinnati

*"With INN's nighttime edition we've been able to give Boston viewers a quality network news alternative in prime time. We're delighted to bring that same quality to midday with 'Midday Edition.'"*

Joseph C. Dimino  
Vice President and General Manager  
WSBK-TV Boston

**Independent Network News produced by WPIX New York**





## **Daniel Boone. Pioneer, Indian Fighter, Patriot, Trapper, Trailblazer and Ratings Leader.**

Daniel Boone is a syndication dream. Built around a great American hero, 120 one hour color episodes starring Fess Parker, Ed Ames and Albert Salmi are now available.

It's a young people's show, it's a family show, it's an action adventure show, it appeals to all ages. Daniel Boone simply has the unique ability to attract an audience in all dayparts. During its six years on NBC, it averaged a fantastic 33% share, dominating its time period against such competition as *The Munsters*, *The Flying Nun*, *Perry Mason*, *Gilligan's Island* and *That Girl*. And Boone has a proven track record of seven successful years of syndication.

So bring back the American Classic, Daniel Boone. It fits your format.

## **Daniel Boone. An American Classic is back.**

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# We're growing as you're growing.

We're working hard to help you grow. We're proud of that.

But, at the same time, we're growing too. We have to in order to continue to offer the best service in a business that grows more complex every day. We match your growth with added personnel, added services, and greater all-around capability.

It's a partnership. The kind that can go on and on.

That's the way we want it. We believe in long relationships. We have it with our people because we reward them with an offer of ownership when they prove they can contribute that extra effort. And we have it with our clients too. Because we contribute extra effort in the way of specialized coverage of every sales situation and with marketing research and other services that help you increase your profits.

Your growth and our growth. It's what we're dedicated to. So dedicated that we've doubled our business revenues in the last three years. We look forward to doing even better in the next three years.



**We do things differently.**



1980

1978

1976

1974

# Publisher's Letter

---

Television/Radio Age, September 7, 1981

**Satellite transmission  
will revolutionize  
the radio industry**

**The invention of** the satellite, as has been said, ranks in importance in communications with the invention of the iconoscope. TELEVISION/RADIO AGE's John P. Taylor is one of the country's leading writers on satellite transmission. His articles on the subject have appeared in TELEVISION/RADIO AGE over the past 24 months and were reproduced in booklet form. Some 6,000 copies of the two booklets titled *Direct-To-Home Satellite Broadcasting* and *What Broadcasters Should Know About Satellites* have been sold and will shortly go into a second printing.

Radio satellite installations, as our story on page 51 points out, will revolutionize the radio industry in the next couple of years. Satellites can improve performance over land lines in quality, with lower noise level and greater convenience. From the network standpoint, it is easier to make changes in the network lineup with satellite-equipped stations. Economically, it is possible to feed stations for less than one dollar per hour per station. We estimate at this time there are at least 700 radio stations that have receiving dishes. This figure will probably be tripled by the end of next year. ABC Radio Networks recently announced that they are, through an arrangement with Scientific-Atlanta, offering to help equip their 1,700 affiliates with receiving dishes. Among the radio networks, Mutual pioneered satellite transmission almost four years ago and presently has about 475 affiliates receiving network service via satellite. Because of the narrowness of the audio channel, compared to the video channel, 16-20 signals can be transmitted on one transponder in many cases. In addition to the audio signal, there can be data transmission.

**Technology has spawned  
programming services**

**The satellite technology** in radio has been responsible for the proliferation of network and programming services. Bob Sobel's article points out the fact that satellite technology, seen by many in the radio industry as changing the face of the industry in the next few years, is causing a lively scramble for position. About a half dozen fulltime services have announced that they are moving ahead. These services include just about every type of format from country to beautiful music to adult contemporary. The various satellite programming services are not likely to move ahead as rapidly as might be expected. There are several reasons for this. In the first place, there are not enough satellite-equipped stations for all this program diversification. More importantly, many stations have indicated a resistance to these program services since they feel it takes away from local identification. A successful radio station today must weave together its local news, sports, local public affairs, along with its network and national programming feeds.

The other question is how will all this affect national spot advertising in radio? At this point, it appears there will be little or no effect, because national spot, particularly in the major markets, is based on an advertiser's need according to its sales in individual markets. If it needs more advertising weight to boost sales from a competitive standpoint in Seattle, or Atlanta, or Dallas, it's going to use national spot. With computerization, the station reps can quickly tell an advertiser what is needed in a specific market to equalize the competition.

**National spot has had  
an active first six months**

**The first six months** have been very active for national spot. The medium is up about 13 per cent. TELEVISION/RADIO AGE projected at the beginning of 1981 that radio revenues would increase 11-12 per cent. We are holding to that projection. The latter six months of the year may not equal the first six months, but over all, the year should finish at our projected figure.



**A Winning  
Combination**

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WFE

WDIV

BB

WPLG

PETRY

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**Petry Television  
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the Dynamic Post-Newsweek Stations**

**WDIV ch 4, Detroit, NBC**

**WFSB ch 3, Hartford, CBS**

**WJXT ch 4, Jacksonville, CBS**

**WPLG ch 10, Miami, ABC**

# Together We Make a Formidable Line-Up



## **POST-NEWSWEEK STATIONS INC.**

WDIV Detroit  
WFSB Hartford  
WJXT Jacksonville  
WPLG Miami

Now Represented Nationally By

**PETRY**

Representing the Broadcasting Industry for 50 Years

# Letters

## Proper credit

Thank you for including KTLA (TV) in your fine article on TV news and public affairs (*Many television stations willing to take local heat over airing of controversial public affairs shows*, August 10).

One thing I'd like to correct, if possible, is that it was Stan Chambers, not Larry McCormick, who covered the Kathy Fiscus well tragedy story that made TV history in 1949. The Kathy Fiscus story was Stan's first major assignment at KTLA in a career that has spanned 34 years.

I think it is safe to say, Stan is the veteran television news reporter in Los Angeles and one of the most respected. He has received many awards for his news reporting over the years, including Outstanding Broadcast Journalist of 1979 by the Los Angeles Chapter of Sigma Delta Chi.

MARY BARROW  
Director of publicity, television division, Golden West Broadcasters, Los Angeles

## Disputes accuracy

In your article *Color radar growing as TV weather visual tool*, which appeared in your July 27 publication, a statement was made that "Neither IPS nor Arvin officials could be reached for comment or information." No one ever contacted me or other employees of my organization. This statement is inaccurate. Therefore, I expect a retraction.

This type of journalism brings discredit on your profession.

ROBERT V. QUINLAN  
Vice president and general manager, Arvin/Diamond, Lancaster, Ohio

*Ed. note:* TV/RADIO AGE made several attempts to reach officials of Arvin/Diamond in connection with the above-named article. Phone messages were left, none of which were returned.

## Good coverage

You did a fine job of covering the new weather equipment (*Color radar growing as TV weather visual tool*, July 27).

DAVE MURRAY  
Chief meteorologist, KSDK-TV St. Louis

## News as entertainment

Although I found your very comprehensive feature on television stations' "superanchors" (*Bottom-line value of superanchors increasing as news competition among affiliates intensifies*, July 27) to be informative and enlightening, it also brought up what I believe to be one of the serious imbalances in TV news. That is the incredible emphasis placed on the anchors (to the detriment of field reporters) and the incredible salaries they are currently pulling down.

News started out on television as a service; it has mushroomed into show business, with the top-paid anchors often being the most glamorous on-screen performers rather than necessarily the most qualified and best-prepared newsmen (or women).

This preoccupation with show business, ratings, image, advertising and promotion, etc. was also touched on in another article in the same issue (*Stations assess policies in light of news scandals*) that dealt with the credibility of television news.

There are many aspects of that story, but the one that interested me most was the section on sensationalism, the video "tabloid" approach being taken by an increasingly larger number of stations.

The fact that some news directors attributed the "need to generate a competitive edge" for increasing the amount of sensationalism is just what I'm talking about. Stations should be concerned with maintaining a competitive edge in terms of the quality, accuracy and speed with which they deliver the news. But I'm afraid the "competitive edge" these news directors were talking about is the "entertainment" edge—giving the viewers a little spice with their cake, particularly if it happens to be sweeps week.

I think WNEW-TV's Mark Monsky put his finger on the problem when he talked about, "The sweep series, chock-block, with the eternally fresh discovery of sex, violence and the rest."

Calling it, "marketing of the news" doesn't make it any more palatable. It is, as Monsky so adeptly pointed out, a "blurring of the lines between entertainment programming based on fiction and news programming."

I am surprised by the apparent naivete of one of the news directors who asked, "Are there really stations that 'go tabloid' during sweeps and no other time? I know of none."

Well, that news director is either liv-

ing in a vacuum or just looking the other way.

I recall attending a session on TV news at the Broadcast Designers Association convention in June in New York. Lee Hanna, formerly of WMAQ-TV Chicago, and now a consultant, was moderating; and he brought up the sweep weeks and how stations often "appeal to the lowest common denominator" during this time.

There was a lot of discussion at that meeting about how a station's news programming should be promoted, some of it quite heated. I began to wonder whether the tail wasn't wagging the dog a little. What's more important—the promotion of the news or the quality of the news itself?

I think your articles were commendable in that they brought up these subjects, but, judging from some of the comments, I honestly don't think the television industry has really come to grips with what is an extremely serious problem. Our news has become entertainment, and, as a result, the public is losing confidence in its credibility and responsibility.

NAME WITHHELD

**Paul Strassels  
has the  
answers**

**THE MARRIAGE  
PENALTY WILL BE  
DROPPED. WHEN?**

**THE  
PAUL STRASSELS  
TAX REPORT**

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## Why the BCC-20 Is a Camera for the 80s.

Full-time digital control makes the BCC-20 Digicam a better camera for the 80s.

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### Automatic Set-Up You Can Depend On.

The BCC-20 delivers superior registration and picture quality. Time after time after time.

Using unique digital measurement techniques, Digicam's ASU (automatic set-up unit) converts video signals from the diascopy pattern to digital signals. It then electronically compares these signals to its electronic pattern test chart.

This allows the ASU operating with digital commands from the MSP (master set-up panel) to measure all important adjustments.

Like tube alignment. Geometry. Registration. Shading. Black balance. And white balance. All automatically!

The ASU then sends corrective digital commands to the camera head microprocessor. There the camera's revolutionary SECS (spatial error correction system) makes critical adjustments. To geometry. To shading. And, in the case of registration, incredible adjustments in 210 zones to .05%!

This advanced technology is unique to the BCC-20 Digicam. It means you can count on a superior picture with total automatic set-up. Repeatedly!

### Quality You Can Depend On.

We didn't overlook the smallest detail to ensure Digicam's quality.

For example, the camera's detail processing electronics and very special coring selectively discriminate against noise to give startling detail in all three channels.

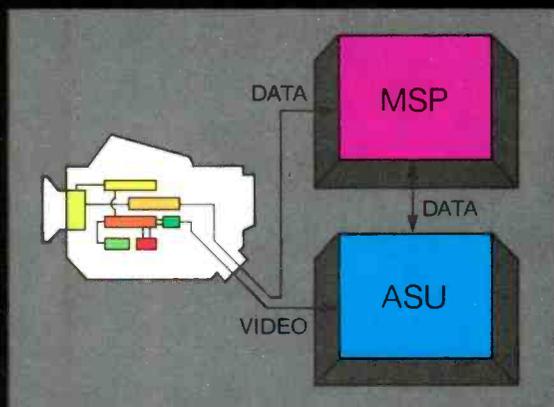
This unique Ampex approach results in low light details with brilliant clarity. You'll get a sharp, crisp picture without bothersome edge effects.

### Are You Ready For The 80s?

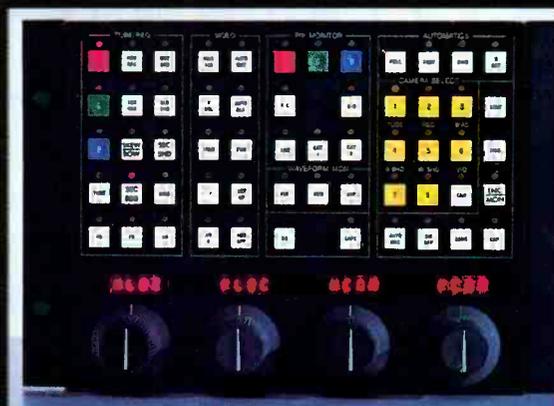
Digicam is the most advanced camera for the 80s. It's not only the ideal EFP camera. It's also ideal for the studio with the kind of performance and quality you'd expect in a great camera.

Find out soon. Discover the BCC-20 Digicam by calling your Ampex representative today.

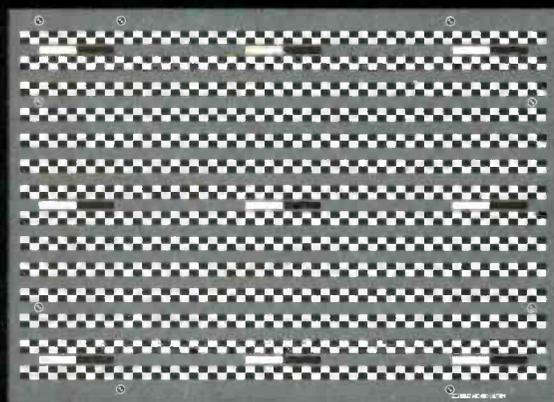
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CO-HOST



TERRY CASEY  
NEWS



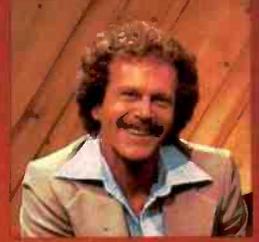
SCOTT HATCH  
SPORTS DIRECTOR



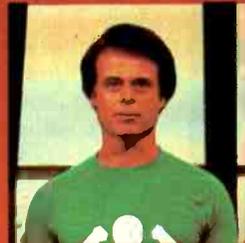
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METEOROLOGIST



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It's made for the morning. It's live. It's new. There's nothing else like it to wake up ratings and warm up viewers for the day. It's the ideal lead-in for your morning shows. Order up 60 minutes of live, eye-opening entertainment. With generous helpings of news, sports, weather and features, all served with flair by seasoned pros. Never before have your mornings looked so bright. Try USam and get more out of your mornings. For a pilot preview, call CBN Continental Syndication, (800) 446-8157.



CBN Continental Syndication Virginia Beach, Virginia 23463

# Sidelights

## Those were the days

Thirty-five years ago, when Horace Schwerin and Henry Newell began conducting their "competitive preference" tests for television commercials, product marketing was a relatively simple science.

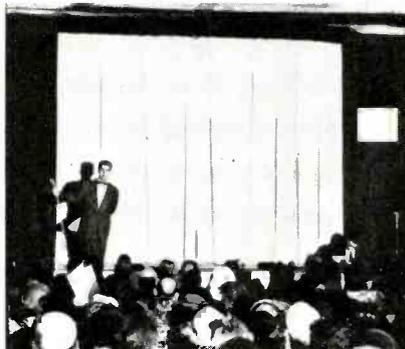
"When we were running our tests," Schwerin recalls, "we were dealing in an environment in which product classifications were a very sacred thing. Advertising had a basic role—to promote hand soap A over hand soap B. We would test the existing brands of hand soap. It was fairly simplistic.

"Today," he continues, "people jump from one product classification to another, for the same end-use, with alacrity and dispatch. This presents a much more difficult measurement problem. It's not just one brand of tuna versus another—it's one brand of tuna versus all other luncheon food products."

Although both Schwerin and Newell ended their commercial tests 13 years ago when Schwerin Research Corp. was sold, both have remained active in the fields of advertising and marketing. Schwerin, for the last nine years has been

vice president-market planning for the Campbell Soup Co., a job he describes as being head of "a kind of think tank." Newell is a consultant to a number of government and corporate clients, the identity of whom, he says, must remain confidential.

The two men have just published a new book entitled, *Persuasion in Marketing*, which covers such subjects as understanding consumer needs, devel-



*A typical Schwerin Research test audience in the '50s*

oping marketing strategy and optimizing media choice. They have written this book, they say in the preface, because, "we have had the good fortune during the past 45 years to live with persuasion, not at a theoretical level, but as it operates and does not operate in the marketplace, and to view it from various angles."

Newell recalls that when Schwerin Research Corp. started in 1946, "we began testing remembrance. From there we moved on to competitive preference. We would assemble 300 people at a time into a test session. We would have them select a product (from within a specific product classification) that they would have a chance to win in a drawing. Then we would expose them to commercials (for that product classification) and ask them again to make a choice for the drawing."

For 22 years Schwerin and Newell conducted these and other types of tests on more than 50,000 commercials—not only in the United States, but in Great Britain, West Germany and Canada as well.

In addition to the expansion and overlap of product classifications since that time, Newell points out that another major change has been the development of the media. "In those days," he says, "the media situation was less complex. Promotion and publicity and other means of reaching the public were less advanced. You could isolate subjects easier."

"There were two ways of collecting data then," Schwerin adds. "You could go out to the people or you could bring the people to you. Both of those methods are much more difficult today because you have fear to contend with—the fear of people opening their door and their fear of going out to a central place."

Phone interviewing, Schwerin believes, is something of a question mark. "I don't know whether or not you can get detailed information on the phone," he says.

In today's marketing environment, Schwerin believes that established brands, with effective advertising strategy have an excellent opportunity to increase their share of market. "It looks like people are going back to the old basics," he says. Newell agrees, adding that, "new products have to have more justification today than they used to."

Established brands, Schwerin says, have suddenly reemerged stronger than ever because, "people are much less inclined to experiment than they were."

But, Schwerin and Newell warn that if long-time brands interpret this to mean they can sit back on their laurels, they are wrong.

They elaborate on this point in their book, pointing out that, "As for established products, it will be even more important that they consistently live up to expectations; persuasion will concentrate on convincing the public that promise matches performance. New species of guarantees and warranties will extend beyond the field of durable goods and apply to frequently purchased items; and they will have to be far more meaningful than the present 'money back if not completely satisfied' small print on the package."

Schwerin believes that, tied into the renewed strength of established brands is a desire by people for "simple solutions." That, he says, means a de-emphasis of "real clever copy. People respond to a brief expression that explains an effective message. Something simple and basic is more meaningful to the consumer today."

Why did Schwerin and Newell get out of the research business? They sold SRC in 1968, because, they say, research sometimes has its frustrating side in that the findings are often ignored or incorrectly applied.

Also, says Schwerin straightforwardly, "we could make more money," as consultants working directly for marketing clients.

Campbell Soup was a Schwerin client when, in 1972, it invited him to join the company full-time.

*(continued on page 29)*

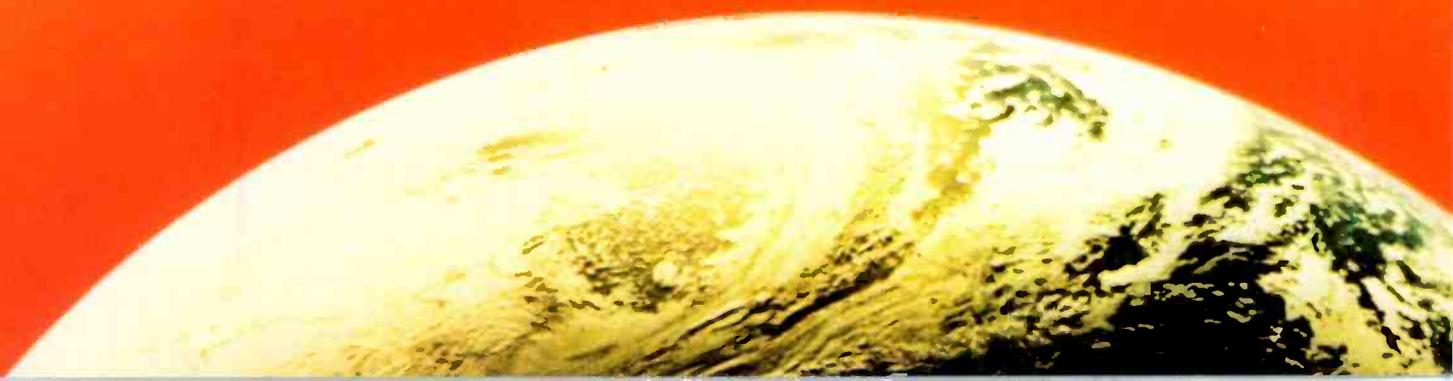
**Paul Strassels  
has the  
answers**

**THE AUDIT  
"HOT SPOTS" HAVE  
CHANGED FOR  
1982. WHAT ARE  
THEY?**

**THE  
PAUL STRASSELS  
TAX REPORT**

**KING WORLD  
PRODUCTIONS  
(201) 522-0100**

**If you're looking  
for the sound of success...**



# ONE

**RKO ONE. THE ORIGINAL RKO RADIO NETWORK. PROGRAMMED FOR YOUNG ADULT MUSIC RADIO STATIONS AND THE 25-34 DEMOGRAPHIC.**

**OVER 200 STATIONS HAVE AFFILIATED SINCE OCTOBER, 1979. THE UNPRECEDENTED SUCCESS OF RKO ONE IS BASED ON STATION DEMAND FOR:**

- **DEMOGRAPHIC, INTEGRATABLE PROGRAMMING**

**Award-winning news**—issue-oriented news reporting with a conversational and relatable on-air delivery.

**Lifesound™ features**—lifestyle-oriented short form shows on everything from show biz to the bizarre.

**Entertainment Specials**—highly promotable two-hour shows and concerts featuring music superstars.

**Night Time America™**—RKO's live 5-hour nightly music show with host Bob Dearborn.

- **STEREO TRANSMISSION BY SATELLITE**

**High quality audio**—full 15 kHz stereo transmission of all program feeds, an RKO exclusive.

- **COMPLETE STATION SERVICE PACKAGE**

**Interkom**—exclusive computer communications link for simplified affiliate reporting systems.

**Program for Affiliate Research (PAR)**—an Arbitron software system for local sales and management use.

**BMC Co-op Sales Program**—a comprehensive and complete local sales package free to affiliates.

**Sales Promotion Support**—a full array of RKO-produced kits for local sale of Network programming.





**Now's the time  
to take a  
second and third  
look at RKO.**



***RKO RADIO NETWORKS***

**The Sounds of Success**

# Sidelights

(continued)

## High-class network

"You have to drive an hour from Aspen to find a condominium selling for less than \$200,000. Some condominiums in Aspen and Vail go for \$1 million. Even if you stayed only a week in Vail, \$3,000 would be just a reasonable cost. You could spend more."

John W. Hawks revels in such statistics because they illuminate the kind of radio audience he is pitching to national advertisers and agencies. The two Colorado resorts are among the dozen upscale (to put it mildly) locations where he represents stations affiliated with his Leisure Market Network. The other side of the coin Hawks flips for potential clients is the low cost of the time.

Hawks began selling his concept in July and so far he's caught only one client in his silken net—brokerage house E.F. Hutton, a conspicuous TV advertiser. But he's confident he's making an offer that's going to be hard to turn down.

In a numbers-oriented business, however, Hawks has one big problem—lack of audience measurement. All of his 12 markets but one have either one or two stations—not the sort of customers Arbitron, or other market research firms can make money on.

Still, Hawks says, the cost is so low that the lack of audience numbers shouldn't make any difference. "We're talking here about really wealthy people, influential people, big spenders, big investors." A sale to one of these customers, he says, would be many, many times the cost of a spot.

But, getting down to numbers, here's the specifics: A spot on all 13 stations (one market has an AM-FM combo on the network) runs from \$240 to \$275, depending on volume. Hawks figures, as a rule of thumb, a total potential audience of 50,000 per resort—600,000 all told—which turns over every seven to 10 days. A 5 rating in a one- or two-station market is not an unreasonable estimate, Hawks contends. That's 30,000 listening to one spot. Divide that into, say \$250, and the cost-per-1,000 comes to \$8.33.

So much for the numbers. Getting into the non-quantifiable areas, where judgment rules, Hawks cites the relaxed mood of the listener and the fact that a national client can easily dominate the market's advertising since the stations live solely on local business.

Hawks picked his markets carefully, not only from the point of view of socioeconomic demographics but in terms of location. "I avoided areas that are fragmented by big city radio—even though the very wealthy might go there. We're

selling geography, not programming."

Where's the best potential for advertising? Topping Hawks' list are financial services and high-end consumer goods. Then comes advocacy advertising and image campaigns. ("The wealthy are opinion-makers.") Then products for trend-setters—fashion items and apparel, perfume, jewelry, accessories, etc.

The Leisure Market Network consists of the following: KSNO Aspen, KVMT(FM) Vail, WHHR(FM) Hilton Head, S.C.; KSGT Jackson Hole, Wyo.; KTHO/KZFR(FM) Lake Tahoe, Calif.; KHEI Kahului, Maui ("That's where the California rich go."); WEEB Pinehurst, N.C.; KSKI Sun Valley, Ida.; WIVI St. Croix and WCRN(FM) St. Thomas, both the U.S. Virgin Islands; KBCR Steamboat Springs, Colo., and WIRD Lake Placid, N.Y.

Hawks is thinking about a few other blue chip locations—Bermuda, Taos, N.M.; Acapulco and Park City, Utah. He's also planning to get promotion specialists to help stations with ideas and help clients with promotions. But he shudders when he thinks of the expense account.

## Pie in the sky

Never throw paper out of a helicopter. An updraft may suck it up into the rotor blades and jam the controls.

That's why WSLM AM-FM Salem, Ind., uses a high-wing monoplane for its "Pie in the Sky" promotions using paper pie plates dropped from the plane like cents-off coupons.

According to *Sales and Promotion News*, an idea letter published by the National Radio Broadcasters Association, WSLM sells advertisers packages of spots with ads printed on the pie plates. The plates are dropped at a specific time and each ad includes the advertiser's store name, address and amount of discount on the advertised item or cash value of that particular plate.

WSLM owner and manager Don Martin reports greatest success if at least half of each advertiser's pie plates have a cash value. Salem is in a rural area of Indiana and there's no problem with environmentalists who might otherwise complain that the sky-drop is littering the countryside because, says Martin, the local populace realizes the value of the "free floating coupons" and is eager to retrieve them. Therefore, there's also no problems getting permission from the local town council to proceed with the air drop.

Martin adds that the contest works best during the spring and fall when the

weather is conducive to foraging through the fields in search of discounts.

## Electronic gospel

The recent (pardon the phrase) aborted campaign of the Coalition for Better Television to apply pressure to advertisers who sponsor what might be called titillating TV programming is but one manifestation of a larger social phenomenon, the increasing prominence of the electronic church militant. Not only are evangelists of the stripe of Jerry Falwell, Oral Roberts, Jim Bakker, Robert Schuller and Jimmy Swaggert preaching to ever-widening audiences via their electronic pulpits, but some of their number also appear to have had their media epiphanies: they now accept the fact that television, itself, is a worshipped icon of our civilization which can be used to achieve desired objectives of its programmers. TV thus has become a prized talisman in the battle between "belief" and "unbelief."

There are furious arguments going on now within evangelical Christianity, about whether "televangelism" advances or detracts from the integrity of religious belief. *Prime Time Preachers: The Rising Power of Televangelism*, written by Jeffrey K. Hadden and Charles E. Swann (Addison-Wesley, Reading, Mass.; 217 pp., \$11.95), makes the case that Americans should be concerned about this mediating of their religion. The authors (Hadden is professor of sociology at the University of Virginia and past president of the Association for the Sociology of Religion, and Swann, an ordained Presbyterian minister who manages NPR station WRK-FM Richmond) note that while the "liberal establishment has more than likely overreacted to any immediate threat posed by Jerry Falwell and his Moral Majority to the civil liberties of this nation . . . in the final analysis, that overreaction may be for the good. It has certainly given the New Christian Right cause to reflect about what it really wants and about what means it is willing to use to achieve its goals."

The book provides snapshot glimpses into the personal histories of the major video vicars and also develops the history of radio and television evangelism, from the days of Aimee Semple McPherson to Jim Bakker's *The PTL Club*. It also probes some of the more controversial positions of these TV ministries such as denunciations of evolutionary doctrine by Falwell and James Robison's attack on homosexuality. Finally, it contains a pithy chapter on the solicitation of over-the-air contributions.

# SOME SOUND ADVICE ON HOW TO USE CLASSICAL MUSIC RADIO TO YOUR BEST ADVANTAGE.

#1 in a series of 4.

## DON'T SHOUT.

Classical music stations present a rare opportunity for advertisers.

They take you to the most upscale, ready-to-spend audience radio has to offer.

It's a proven fact. And more advertisers are catching on. In 1980, for example, WQXR's revenue growth out-performed the market by nearly 50%.

You see, our audience is different than the average radio audience. They spend differently.

But they also listen differently. So here are a few good tips on how to talk to them:

Don't shout.

Forget the hard sell.

Eliminate loud or brassy music.

They'll only turn our listeners off.

Try instead to convey the excitement of your message through carefully chosen words. Seduce them with carefully chosen music.

Sensitive, intelligent listeners like ours pick up on subtleties. (In fact they appreciate them.) So use them.

We have aired a number of commercials, selling everything from cars to vacations, that we think speak very effectively to our listeners. If you would like a cassette featuring some of these advertisements, just drop the following coupon in the mail.

On WQXR if you speak softly, you'll carry a big impact.



WQXR - FM /AM, 229 W. 43 St. New York, N.Y. 10036

Yes, I'd like a cassette tape of:

WQXR commercials that get their message across without shouting.

Name

Agency / Company

Address

City, State, Zip

Represented nationally by McGavren Guild, Inc.

# Radio Report

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## Ad demand seen for new radio program services by agencies

**Major agencies** already using quite a bit of radio believe that the demand will be there from national advertisers for at least some of the new nationally syndicated barter program services expected to join the flood of new radio networks next year (see lead story). Some agency sources add qualifications, but not Mike Drexler, executive vice president, director of media and programming at Doyle Dane Bernbach.

Drexler thinks that both the new radio networks and new program services should be welcomed by stations and advertisers alike. He notes that "There has long been a lack of variety in radio formats. Now these new developments will make many more opportunities available to advertisers as well as to the stations, who gain a much wider choice of programming resources.

"With the exception of some play-by-play sports," he adds, "most radio network formats in the past have been limited to short news and sportscasts. Now stations and advertisers will have access to longer formats, music programming, talk programming, publisher-supplied magazine feature material and multi-day specials, all offering many new commercial opportunities.

At N W Ayer/New York, network broadcast buyer Natalie Swed says that the question she's been asking the radio program syndicators is "What will the stations do? Will enough of them clear for all of these new services—on top of all the new radio networks being formed—to add up to station lineups of sufficient length and quality to interest national clients?"

## Sees some services falling by wayside

**She adds:** "My guess is that enough good stations will clear for the best of the new services, but not for all of them. With so much new program material available, stations will be in a good position to be very selective about which programming they want to pick and choose from. So I expect to see some of the new services fall by the wayside.

"But for the cream of the crop there will be advertiser interest, and especially for those offering the younger demographics and regional availability. There will be interest and dollars because the new services will give advertisers the opportunity to know what kind of programming their advertising will be heard with. They'll also like the merchandising that some of the new services will be offering along with the air exposure."

But Swed adds that "As more and more advertisers learn of these new national availabilities and of their advantages, it's bound to hurt straight spot radio which assures neither specific programming nor merchandising in most cases."

Meanwhile, RKO Radio has just released an initial advertiser list for its new RKO Two Radio Network targeted to the 25-to-54 audience, "and most specifically to the 35-44 nucleus of this demographic."

Advertisers include Sears, Champion spark plugs, Dow Jones, Pocket Books, Chloraseptic out of Eaton-Norwich, Ford's auto and truck divisions, the Saginaw Steering & Gear Division of General Motors, Craig Stereo, K Mart, Borden's Kava, Hamburger Helper out of General Mills, Goodyear Tire & Rubber Co., Lincoln Mercury, Kinney Shoe, Whitman Chocolates, Monarch Wines, the American Floral Marketing Council and Jobe's Garden Fertilizer. The web was launched last week with 56 charter affiliates.

## Extended measurement's effect on baseball

**Torbet Radio has found** that Arbitron's extended measurement has had a "definite effect" on stations carrying pro baseball. A study of 21 stations carrying diamond contests in 17 markets shows the following—with some exceptions—according to Torbet researcher Mariann DeLuca:

On average, there has been "no total correlation of ratings to a successful season during the rating period." As a rule, audience is basically down or flat from the spring '80 to spring '81 reports. Generally, stations already experiencing rating declines "were not substantially boosted by baseball." While there were a number of come increases, come audiences, when down, decreased "as dramatically as some average quarter hour audience figures have indicated."

DeLuca cites a couple of factors as contributing to this situation, in addition

# Radio Report

(continued)

to the effect of the three-month measurement. One is the big growth in professional sports teams, with almost 200 currently. She also views "more activity in personal sports involvement" as a factor.

The study made two basic comparisons: (1) cumulative metro audiences of men 25-54 in the 7 p.m.-midnight period, Monday through Friday, for four spring surveys—'78 through '81; (2) average quarter hour trends for four demographics—men 25-54, adults 25-54, men 18-plus and adults 18-plus—during spring '80 and spring '81, both Monday through Friday, 7 p.m.-midnight, and Saturday and Sunday, 10 a.m.-7 p.m.

Four of the markets had extended measurement in both the spring '80 and spring '81 reports; the others had one month measurements in '80 and three-month measurements in '81.

## WCBS news chief joins WOR in New York switch

**Lou Adler, longtime news co-anchor** and news director at WCBS New York, will join WOR New York as news director on November 16, the day after his contract expires at the CBS flagship news station. Not only will he do a tour of on-air news duty on the hour and on the half-hour during the John Gambling morning drivetime, but he'll do special features and substitute for Gambling when he goes on vacation, according to Rick Devlin, vice president, general manager at WOR.

Adler will replace Gambling during the latter's vacation in order to "protect" the station's high morning ratings during extended measurement periods of 48 weeks a year, introduced by Arbitron. Adler, according to Devlin, exited WCBS because he wanted more creative freedom and the opportunity to work with Gambling. Adler will reevaluate "the entire news operation," notes Devlin, but he says it is too early to give any specifics on whether changes would be necessary.

## Philly's WFIL goes country, joins sister FM

**In a surprise move, Lin's WFIL Philadelphia** switched to country last week (September 4) joining its sister WUSL(FM).

Once one of the top stations in the U.S., WFIL had been limping along recently with an adult contemporary format and had a 2.6 share in the May Arbitron book. WUSL, which got a 1.9 share last May, changed to country about two months ago.

James DeCaro, president and general manager of the two stations, said: "It's not news to anyone familiar with Philadelphia radio that audience fragmentation—particularly in the contemporary music formats—has made WFIL's traditional position of absolute dominance an impossibility in the current market. So a format switch in the face of an eroding audience trend could not be unexpected."

DeCaro disputes the "traditional programmer's view" that Philadelphia is "a non-country town." He added that "extensive" research by the stations shows clearly that "Philadelphia is ripe for a well-programmed country sound." The AM outlet is on 560 KHz with 5kw.

## TRW backs drama series via satellite

**Cleveland-based high tech firm TWR, Inc,** is backing a new satellite-born radio series, but not in the usual fashion. TRW is putting up \$775,000 to fund various production costs, advertising, promotion and community participation with educators and libraries for a 52-week series of radio dramatizations kicking off the week of October 18 on some 250 to 300 radio stations, both commercial and non-commercial. The series will be introduced with an eight-part *Odyssey* of Homer, via major funding out of the National Endowment for the Humanities. *Odyssey* will be new. The other 17 dramatizations will be re-broadcasts of eight years of drama produced by The National Radio Theatre of Chicago, including adaptations of works by Bret Harte, Jack London, Eugene O'Neill and Charles Dickens.

Broadcasts, to be transmitted via Westar I, will not carry traditional commercials. Instead, TRW will be given underwriter credits at the beginning and end of each program.

**ANNOUNCING  
A SOUND MOVE  
BY CBS.**

# RADIO

RADIORADIO is a new network service designed to fit the tone of your sound and to amplify and differentiate your station. Listen in on this conversation and you'll hear about some of the things we're doing.



**“HEY,** what’s that great new sound? Have you got a new station tuned in?”

*“No, it was one of my regulars...but now it’s my only one. What’s different is all the new things this station has to offer. It’s something called RADIORADIO.”*

“RADIORADIO? What in the world is RADIORADIO?”

*“It’s all the things I’ve been missing. Now I don’t have to keep twisting the dial to get ’em. I can tune in and listen here all day.”*

“Really? Things like what?”

*“Like their news service. It’s news from CBS, and that’s the best. It gives me just enough of what’s happening all over the world. And I get it all in two minutes. It’s in a style I like too. You know, easy on the ears.”*

**RADIORADIO DELIVERS ITS NEWS SERVICE AT TWENTY MINUTES AFTER THE HOUR, AROUND THE CLOCK. THIS SERVICE PRESENTS TWO MINUTES OF WORLD NEWS IN AN UP-BEAT AND CONTEMPORARY FORMAT. OUR NEWS IS DESIGNED TO APPEAL TO YOUNG ADULTS. IT FITS THE TEXTURE AND TONE OF YOUR CURRENT PROGRAMMING FLOW.**

“Definitely my kind of news. So what else does this RADIORADIO do for my ears?”

*“Oh, now they’ve got fantastic music specials that nobody else has. Like concerts. I mean, they’ve got some of the hottest names around.”*

**RADIORADIO’S CONCERTS ARE EXCLUSIVE PERFORMANCES, AND THEY WILL BE AIRED THROUGHOUT THE YEAR. THESE ARE MAJOR MUSICAL EVENTS WITH GREAT LISTENER AND**

# RADIO



**ADVERTISER APPEAL, AND THE FORMAT IS DESIGNED TO PROVIDE MANY LOCAL SELLING OPPORTUNITIES.**

*"Alright! Love those concerts, love to know what's happening."*

*"There are other music specials too, like programs that tell me more about my favorite recording artists. And RADIORADIO has other super features, too. They fill you in on all sorts of things and they do it all in a minute and a half."*

**RADIORADIO'S LIFESTYLE FEATURES ADDRESS THE SPECIFIC INTERESTS OF YOUNG ADULTS. PROGRAMS ARE 90 SECONDS LONG AND ARE CAREFULLY DESIGNED TO SUIT YOUR STATION'S SOUND. THEY ARE ALSO CONCISE AND TO THE POINT. ONE MORE REASON WHY YOUR AUDIENCE WILL WANT TO TUNE-IN AND KEEP LISTENING.**

*"Fantastic! No wonder the station sounds better."*

*"Mm-hmm. That RADIORADIO really does make a difference. It's great music and a lot more. And that's my favorite kind of radio."*

**RADIORADIO IS A NEW CBS RADIO SERVICE. STATIONS CARRYING RADIORADIO CAN COUNT ON THE EXPERTISE, THE QUALITY, AND THE CREDIBILITY OF CBS ITSELF. AND RADIORADIO'S NEWS SERVICE IS PREPARED BY CBS NEWS, THE MOST RESPECTED BROADCAST JOURNALISM ORGANIZATION IN THE WORLD. RADIORADIO CAN GIVE YOUR STATION THE ADDED DIMENSIONS IT NEEDS.**

**RADIORADIO IS A NEW NETWORK SERVICE DESIGNED TO DIFFERENTIATE RADIO STATIONS. IT IS A REAL OPPORTUNITY TO POSITION YOUR STATION IN TODAY'S COMPETITIVE RADIO MARKETPLACE. IT CAN MAKE ALL THE DIFFERENCE FOR **YOU."****



# International Report

**WINDHOEK: Namibian changes.** Amidst the international controversy surrounding the political status of South West Africa/Namibia, the government-operated South West African Broadcasting Corp. (SWABC) has gone full steam in expanding its broadcast services. There were earlier reports of the SWABC television service making a debut this summer but, according to its newly-hired director, Peter Englebrecht, for a variety of reasons, it is not expected that the TV service will begin until early 1982.

One South African official told *International Report* that one primary reason for the delay is financial. "Only recently did the SWABC chairman make a trip to the United States in order to arrange additional financing."

Movement, however, is more obvious on the radio side, specifically in terms of SWABC's policies to wean itself from the South Africa Broadcasting Corp. (SABC), which traditionally has supplied much of SWABC's news and entertainment programming. A significant step, says one official, was the action by SWABC to initiate on its own English and Afrikaans news bulletins from Windhoek. Another step was the recent introduction of commercial advertising on all local broadcasts. But, says one observer, the most important step in establishing the SWABC as separate from the SABC, was the decision by SWABC to begin its own all-night service.

**TRANSKEI: Private radio?** Despite strong denials of nationalization, Transkei's only privately-operated radio station has been taken over by the national government. Defenders of the take-over in this small South African country explained that Capital Radio's majority stock was always government-owned. Said its general manager, Phil Lovemore, "We have always been a private enterprise and the government, despite its majority ownership, has never interfered with the daily running of the station. I do not believe their attitude will change, as it would be commercial suicide should they do so."

One reason cited for the takeover was the lack of sufficient capital for expansion purposes such as the acquisition of a new powerful transmitter to be beamed into the affluent Durban area of the Republic of South Africa. According to Capital's managing director, Monty Ntloko, no changes are anticipated on the governing board, the management structure, or in the station's programming.

**SANTO DOMINGO: New TV thrust.** As part of the government's policy of reviving its TV efforts, more than \$2.5 million has been invested in TV equipment by RTVD, the state-owned channel. Purchased primarily from RCA, the newly-equipped facility includes a 16 Kw computerized transmitter, a 120-meter antenna/tower complex and top-of-the-line studio cameras. The present Dominican Republic government was elected last year.

RTVD general manager Rafael Vasquez said the government channel had been operating with its original transmitter, manufactured in 1949, and only recently modified for colorcasting. With an ERP of 96 Kw, Vasquez said, RTVD now covers the entire country plus the eastern portions of Haiti.

RTVD has also just completed purchasing 18 months of dubbed programming for \$1.5 million, primarily from American sources, including all the Alan Landsburg properties. These include *Those Amazing Animals* and *That's Incredible*. Although the national language is Spanish, several TV stations (all but one are government-owned) have arranged for U.S. news feeds. Most recent was the completion of negotiations by RTVD with NBC News and Sports. Two private channels, 2 and 7, are now receiving ABC News and Cable News Network feeds, respectively.

**NEW YORK: FM and UN.** It appears that UN Secretariat is not quite ready to challenge the Reagan Administration and the FCC over the question of "territorial sovereignty" vis-a-vis an FM station transmitting on U.S. soil. With anti-UN feeling in Washington, the UN's legal department is hesitant to stake a claim to the FM channel, which was originally allocated to the international organization by the FCC nearly three decades ago. The assignment was never utilized, and the channel is currently occupied by two New York City area universities. Said one UN legal expert, "The question of sovereignty is too important to the UN to risk a legal, precedent-setting, decision which would, in effect, declare U.S. jurisdiction over the UN in terms of its proposed programming." While a substantial majority of UN members have voted for the establishment of the FM station—irrespective to what the FCC maintains—by late 1982, one senior official described that stand as "overly optimistic."

**SAN DIEGO: Canadian network.** Oak Industries, Inc. and Canadian Satellite Communications, Inc. have reached an agreement under which CSC will use Oak's ORION satellite signal scrambling system to transmit commercial television programming to remote areas of Canada.

The result, the companies say, will be the first network to broadcast commercial television programming in a scrambled mode via satellite to a large audience. The audience reached will consist of many Canadians who have previously received little or no television.

The broadcasting is scheduled to begin late this year after testing is completed.

Initial purchase order for the ORION system by CSC is expected to be around \$8 million. The ORION system, introduced by Oak in 1980, consists of signal encoders that scramble signals broadcast from a transmitter to a satellite; decoders then disentangle the signal at earth receiving stations.

# think small

SOME OF THE BEST NEWS AND INFORMATION FEATURES COME IN SMALL PACKAGES. USE THEM TO PAY A LITTLE EXTRA ATTENTION TO YOUR VIEWERS. IT PAYS OFF BIG IN AUDIENCE LOYALTY AND ADVERTISING REVENUE.

## THE SOAP SPOT

Brand New For 1981-82  
John Gabriel  
(Dr. Seneca Beaulac on  
"Ryan's Hope") **has the information your viewers want** about the stars of the soaps. Interviews at home and on location.

Special sweeps series:

- Sex & The Soaps
- Daytime's Sexiest Women
- Daytime's Sexiest Men
- Soap's Bad Women
- Love Among The Young

130 Programs

2 & 4 Minutes



## THE PAUL STRASSELS TAX REPORT

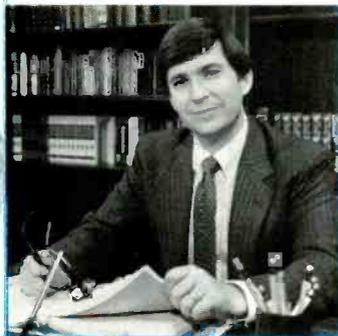
Last Year's Hottest Selling  
Syndicated Reporter  
Author of "All You Need to  
Know About The IRS" **has the information your viewers need** to pay less taxes legally. Three multi-part special reports.

Closed Captioned for the hearing impaired. 

FCC Instructional Credit

All New: 75 Programs

90 Seconds.



## DR. LENDON SMITH

America's Favorite  
Children's Doctor  
Winner of Two Emmys  
Author of four books and  
columnist for McCall's  
Magazine **has the information your viewers need** to make child care fun for parents and children.

FCC Instructional Credit

260 Programs

90 Seconds



## THE BUTCHER SHOW

Winner of Two Emmys  
Fifth Year of Production  
Merle Ellis  
Author and nationally-syndicated columnist **has the information your viewers need** to save money and set a better table

FCC Instructional Credit  
65 programs (new)

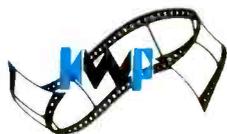
130 (Best of the Butcher)

195 programs (total)

90 Seconds



When you think of big shares and big revenues... **think small.**

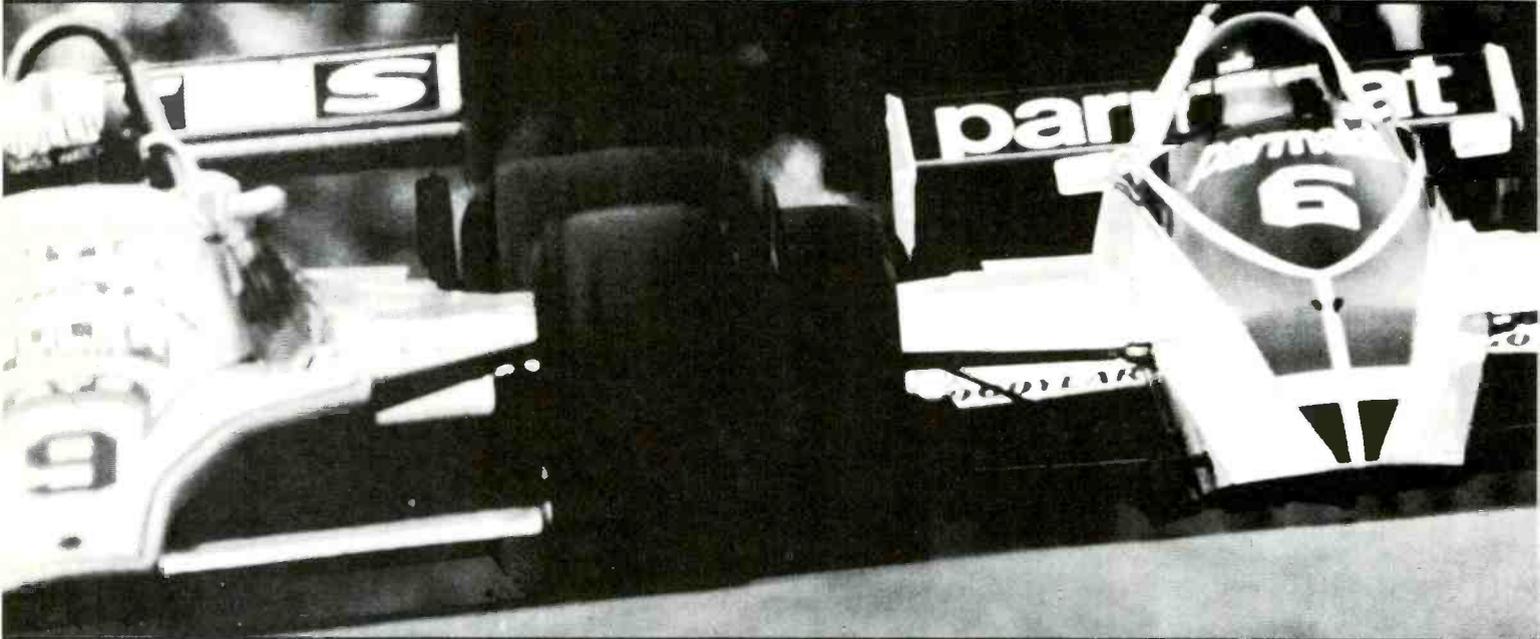
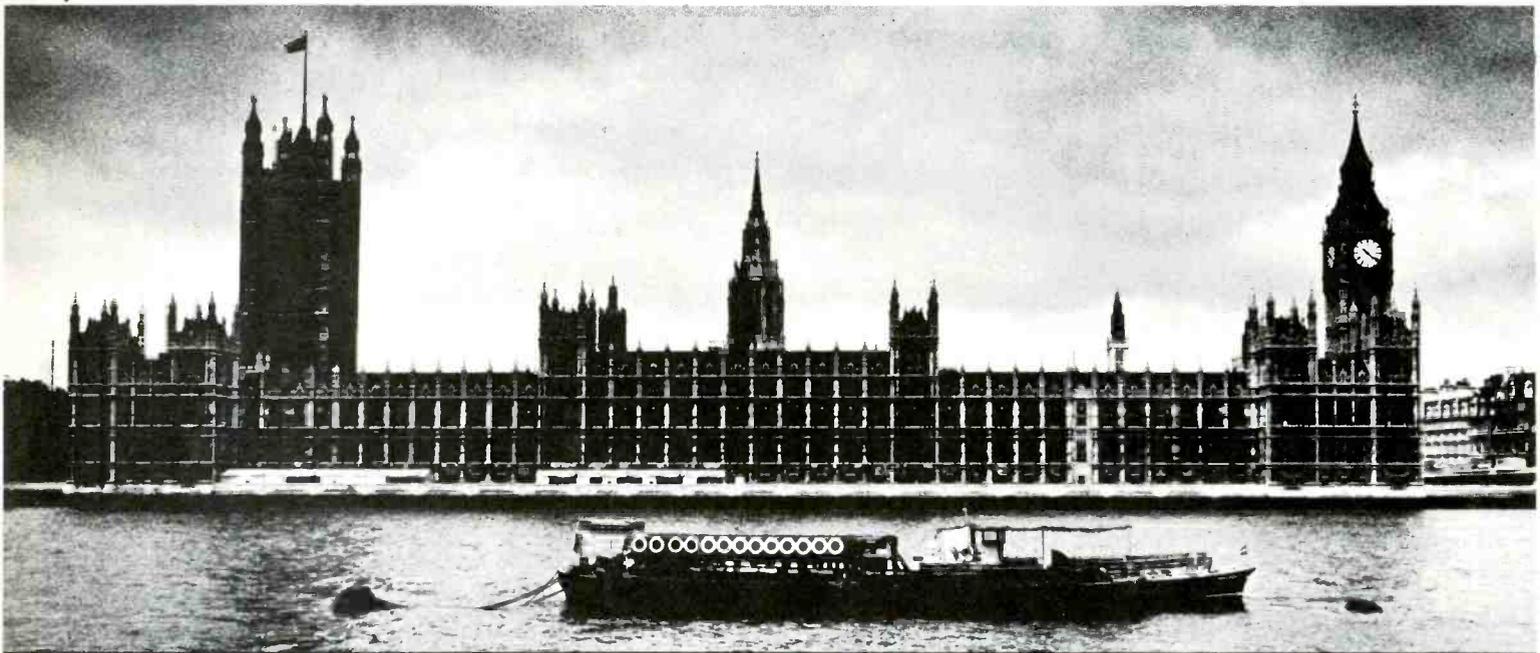


**KING WORLD PRODUCTIONS, INC.**

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**SEE US AT RTNDA – BOOTH G**

# The editing suite that diss



# olves the Government, cuts up Alan Jones and wipes out the Ants.

Some incredible claims to fame, and they show just how adaptable we can be.

Television International offer a professionalism that covers the whole entertainment spectrum with equal expertise.

Adam and the Ants have Mike Mansfield of Supersonic to thank for their superb promo. Where did he choose to edit it? - Television International. Calling on one of our many award winning editors and our advanced technology, we offered him that extra sparkle.

As Mike said in "VIDEO" "I use TVI because its pictures have some special, indefinable quality which I can't put my finger on."

Quality that you see year after year in our Grand Prix outside broadcast edits. Our

cameras catch the excitement and the action, then relay pictures to our OB mobile edit units. It's here our team put their reflex actions to work. Cutting in and out of live action to bring home all the important moments, catching the grandstand flavour and excitement of Britain's most important motor race.

Editing live is second nature to Television International. Our contribution to current affairs for network shows have proven it time and time again. Premiere's, M.P.'s and celebrities all come in for the same expert treatment.

Whoever you are, you'll enjoy working with Television International. Our comfortable central London studios offer everything to make work a pleasure. From endless supplies of coffee to the ultimate computer editing suites.

1" and 2" editing facilities, Quantel and chromakey with special effects and character generation to meet your most exacting specifications.

So, whether it is current affairs, outside broadcasts, promotional programmes or any other kind of broadcast, you will find Television International, Europe's best editor.



## Television International

**The big company behind the small screen.**

9/11 Windmill Street, London W1P 1HF (U.K.)  
Telephone: 01-637 2477 Telex: 268208 TV1 UKG.

 A member of the RANK PHICOM VIDEO GROUP 

# Business Barometer

**June spot TV sales rose 10.8%, while quarter rose 14.0%**

**Spot looks good vs. network, local**

Spot TV time sales just barely managed to pull off a double-digit increase in June vs. the year before, but the figure was better than it looked. The increase was 10.8 per cent and June was the fifth month in a row of double-digit increases. Only January was below that level, registering an 8.7 per cent rise during a month in which local recorded its best monthly percentage figure.

Spot time sales reached \$264.4 million in June, a modest level compared to the \$300 million-plus figures in April and May but, seasonally speaking, not bad. June is historically the beginning of the summer doldrums. During August of last year, time sales were only \$212.2 million.

To be noted, however, is that June of '81 was a four-week standard broadcast month, while the preceding June was five weeks.

Second quarter total for spot (13 weeks under the standard broadcast measurement periods) came to \$941.9 million, up 14.0 per cent from the corresponding 13 weeks in '80. Total for the half was \$1,607.5 million, representing a hike of 13.7 per cent. The first quarter was up 13.4 per cent, indicating a pretty stable situation.

The fact is that while these percentage figures are not large when the water is taken out by inflation, they look good against the general economic background. This is not exactly a boom period. Moreover, spot is displaying more vitality than network TV, where expenditures were up only 4.5 per cent for the first six months of '81, and local, where the half-year total climbed 9.5 per cent.

Comparing spot with print, however, shows a mixed picture. Newspaper ad revenues for the first six months of this year were up 15.2 per cent, according to preliminary figures from the Newspaper Advertising Bureau, but national advertising grew no less than 25.0 per cent to \$1.4 billion. Retail, the largest newspaper category went up 12.9 per cent to \$4.3 billion.

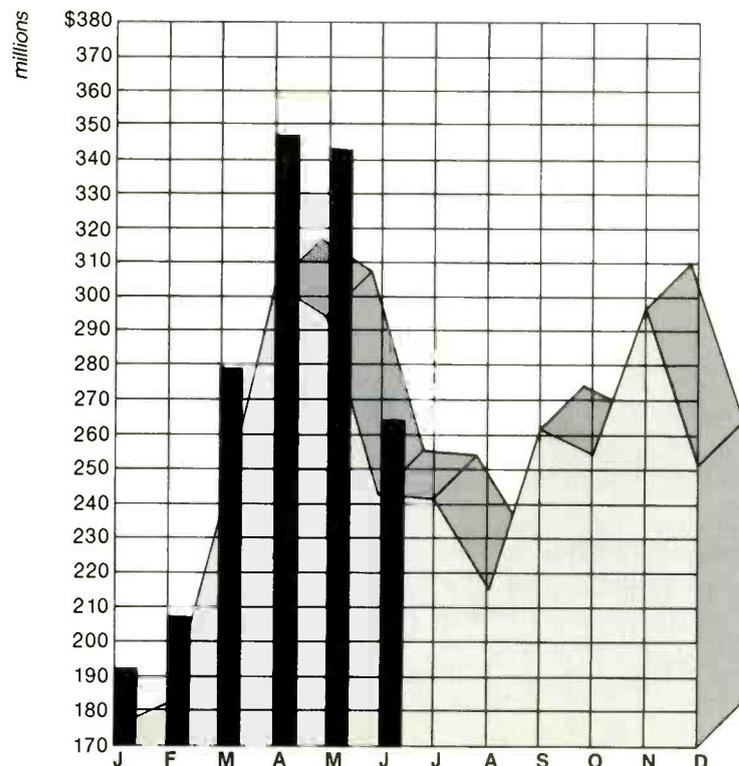
On the other hand, magazines increased ad revenues 9.0 per cent for the first seven months of '81, with pages up only slightly.

**National spot + 10.8%**

(millions) 1980: \$238.6 1981: \$264.4

**Changes by annual station revenue**  
 Under \$4 million ..... +4.3%  
 \$4-8 million ..... +6.3%  
 \$8 million up ..... +12.7%

## June



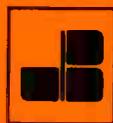
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# Tele-scope

## Flagship additions to early news follow trend by other O&Os

The planned moves of two network flagships, WABC-TV and WCBS-TV New York, to longform early evening news emphasizes the developments in that direction already taken by the other O&Os. Of the 15 network-owned TV outlets, 11 have gone to more than an hour. Five O&Os lengthened their news during the past year or so. The only ones to be left with an hour of news are CBS' KMOX-TV St. Louis and NBC's WKYC-TV Cleveland.

One factor in the New York news situation, though not the major one, is the success of *Live at Five* on WNBC-TV, which went to a two-hour early evening news spread some years ago. The NBC flagship has won the 5-6 p.m. period when it's topped, on occasion, WABC-TV's *4:30 Movie*, still a powerhouse show. The latter will be replacing the movie on November 30 with *Now on 7*, also starting at 4:30 and giving WABC-TV 150 minutes of news and features. The CBS flagship will add an hour with *Five O'Clock Report*, starting in January. Thus, New York will join Los Angeles and Chicago with all O&Os fielding more than an hour of early evening local news.

## Longform news began at KNBC(TV) on Coast

It all started with KNBC(TV) Los Angeles which boldly struck out with a two-hour early evening news in the late '60s. Other stations were slow to follow, but the movement caught on toward the end of the decade. CBS' KNXT(TV) Los Angeles broke the two-hour barrier with a two-and-a-half hour early evening local news over two years ago. Last year KABC-TV Los Angeles topped them all with three hours, while two other ABC-owned stations also extended their early evening news during the past year—WLS-TV Chicago from 90 minutes to two hours and KGO-TV San Francisco from one hour to two hours.

Also lengthening their news during the '80-'81 period were CBS' WCAU-TV Philadelphia, going from an hour to 90 minutes, and NBC's WRC-TV Washington, going the same.

Besides the O&Os, 11 other affiliates air more than an hour of evening local news, all in the top 25 DMAs.

New York's WABC-TV is the last ABC-owned video outlet to go to more than an hour of early evening news. Bill Fyffe, vice president and general manager, indicated that the future importance of local identity for TV stations and the expected impact of cable are key reasons for the change, but explained that the station wanted to run through its movie package first. He added that the proliferation of movies on cable has made features less important to stations. A "considerable" amount of research was undertaken before the decision to change, Fyffe said.

## BAR to monitor four cable webs in '82

Advertisers, agencies and broadcasters who use the BAR network competitive reporting service will be able to see what's going on also on cable networks, too, beginning January 1. BAR plans to include four major cable satellite webs—Cable News Network, Entertainment and Sports Programming Network, USA Network and superstation WTBS(TV) Atlanta.

The quartet will be monitored on a full-time basis, just as are the ABC, CBS and NBC TV and radio networks. The company will publish weekly, quarterly and monthly reports, to include information on the amount of activity of cable network advertisers as well as estimates of their ad expenditures.

BAR chairman Robert Morris said the new service is a result of new technological advances as well as the encouragement of clients.

BAR is also the source of competitive expenditure information in spot TV through its monitoring of 281 stations in 76 major markets. Included is full-time monitoring of superstations WOR-TV New York and WGN-TV Chicago.

## ABC News' Wald to keynote RTNDA meeting

Richard Wald, senior vice president at ABC News, will be keynote speaker on September 10 and Mutual Broadcasting System's all-night interview/call-in host, Larry King, will speak at the September 12 luncheon of the Radio Television News Directors Association Convention in New Orleans. Major themes of the 36th annual get-together of the Radio Television News Directors Asso-

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# Tele-scope

(continued)

ciation will be the news director's managerial role and how to deal with new technology. New at this year's gathering will be a two-part program on computers and their newsroom applications. There will be nine workshops covering such areas as editorials, satellites and weather reporting, and Sen. Barry Goldwater (R-Ariz.) and NBC election consultant Dick Scammon are scheduled to lead a panel discussion on early reporting of election results.

## July VCR sales rose 74.2%; new TV set data

**While VCR sales** to dealers continued roaring along in July, the Electronic Industries Association put out revised figures on 1980 TV color set sales to dealers. The new total is 10,897,080, 6.7 per cent higher than the original figure. The revision was based on a study by a committee of the association in conjunction with marketing consultant David McCarty and confirmed the 1981 figures.

The July VCR level was set at 87,636, 74.2 per cent higher than the year before. For the seven-month period, sales were 631,109, up 87.3 per cent from the same 1980 period.

TV color set sales in July were up 12.3 per cent to 775,181 units, while the cumulative total came to 5,918,796, up 6.9 per cent. The 1980 figures were understated, explained the EIA, "primarily as a result of the increased production of color TV sets in the U.S. by offshore manufacturers. Some of these manufacturers are not participants in the EIA TV statistics program and until 1980 had imported virtually all of the products they sold in the U.S. Although this shifting pattern was recognized, the total market figures for 1980 were not revised until such time as the new data base could be established."

## Latest Arbitron ADI list shows a few big changes

**Among the 20 changes** in ranking among the top 50 markets, the new Arbitron estimates of ADI TV households for the coming season show a few major changes in growth (or lack of it) in the top 50. (See listing on next page for all ADIs.) The new ADI estimates—projected TV households for January 1, 1982—are based upon census data on *occupied* housing units rather than the *total* dwelling count that Arbitron used to develop the current (May '81) TV household revisions via an occupancy rate formula. The data are also affected by MSI-supplied growth rates and changes in ADI definitions.

The biggest change was the 16.5 per cent increase in Hartford-New Haven TV households. This moved the ADI from 28th place in the May estimates to 24th in the '81-'82 roster. Originally—that is, in the pre-census estimates for the '80-'81 season—Hartford-New Haven was 26th. As a result of the new estimate, the Connecticut market's TV household total rises from 673,600 to 785,000, due primarily to the shift of New London County from the Providence-New Bedford ADI.

At the other extreme was Tampa-St. Petersburg, which lost 97,200 TV households by the new estimates, a drop of 9.4 per cent from the May figure. This had only a modest effect on its ADI ranking, however, which dropped from 17th to 18th. Major factor here is that Sarasota was pulled out of the market and set up as a separate ADI.

## Nine ADIs are up more than 5% in TV households

**Besides Hartford-New Haven**, eight ADIs showed TV household increases of more than 5 per cent for the coming season. (These data will be used starting with the October reports.) They are: Portland, Ore., 8.3 per cent (60,700 more TV households); San Antonio, 6.7 per cent (31,000 more TV households), moving the Texas market from 50th ADI in May to 45th next season; New Orleans, 6.6 per cent (36,400), up from 37th to 34th ADI; Nashville, 5.6 per cent (34,900), no change in ADI rank; Minneapolis-St. Paul, 5.5 per cent (57,000), up from 16th to 14th ADI; Phoenix, 5.5 per cent (38,100), down from 24th to 25th ADI, but Phoenix, which will include Flagstaff, was ranked 31st pre-census; Sacramento-Stockton, 5.4 per cent (30,600), no change in ADI rank, and Raleigh-Durham, 5.2 per cent (27,000), no change in ADI rank.

Besides Tampa-St. Pete, losers in the top 50 were: Providence-New Bedford, down 5.5 per cent in TV households (31,900), causing a sizeable drop in ADI rank from 33rd to 39th; Wilkes Barre-Scranton, down 1.5 per cent (7,000), which dropped it from 46th to 49th in ADI rank, and Harrisburg-Lancaster-

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# Tele-scope

(continued)

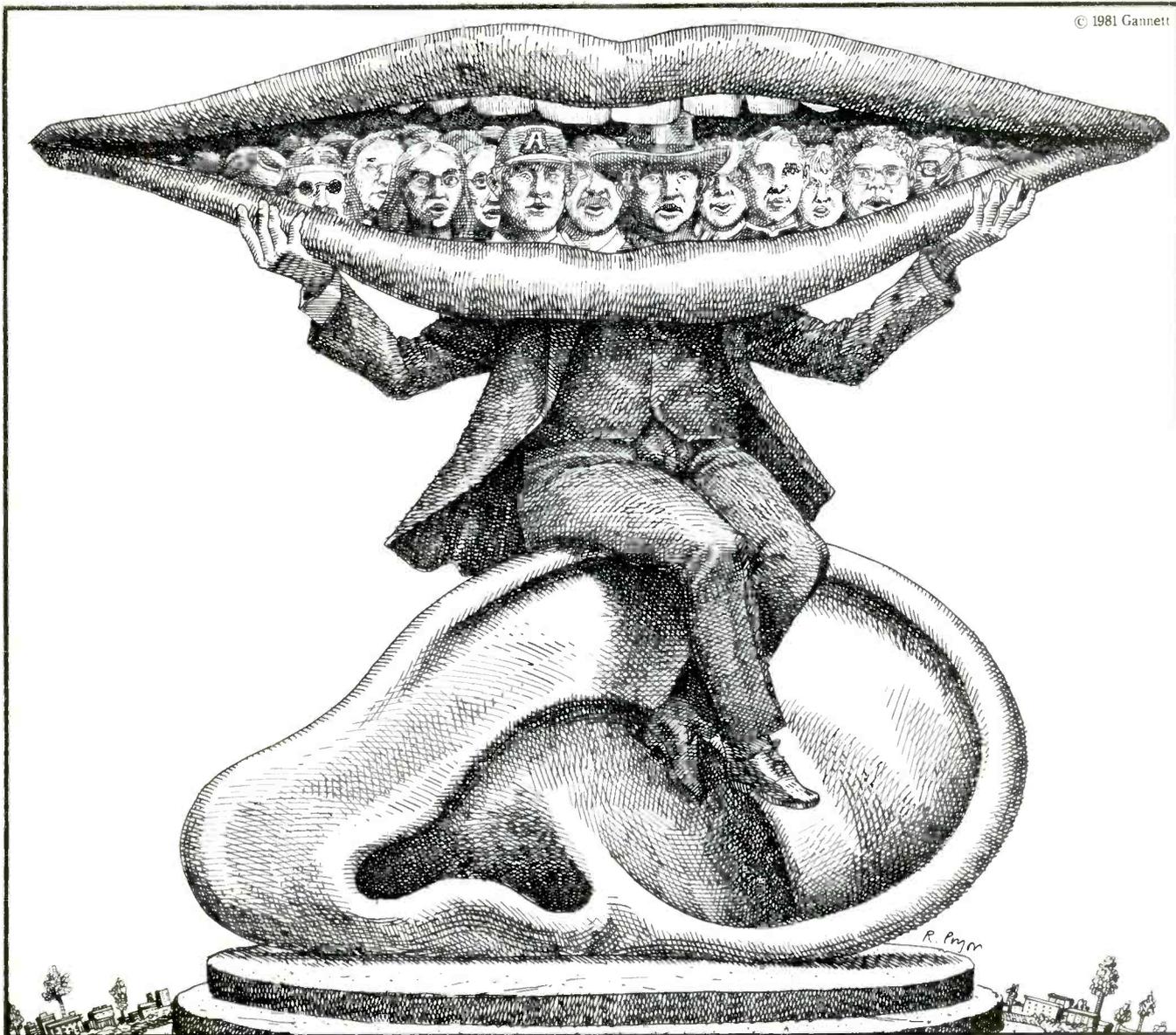
York-Lebanon, down 7.2 per cent (34,700), which knocked it out of the top 50—from 45th to 52nd ADI—with two counties lost.

Markets gaining more than 50,000 TV households, besides those mentioned, are New York, up 86,500; Chicago, up 80,600; San Francisco, up 53,200, and Dallas-Ft. Worth, up 50,500. All are top 10 markets. Smallest gainer in the top 10 was Los Angeles, up only 7,900.

In addition to those mentioned, other top 50 markets changing in ADI rank were: Atlanta, from 14th to 16th; St. Louis, from 18th to 17th; Cincinnati, from 27th to 26th; Kansas City, from 29th to 27th and tied with San Diego, which dropped from 25th; Milwaukee, 26th to 29th; Orlando-Daytona Beach, 34th to 33rd (it had been 40th last season); Grand Rapids-Kalamazoo-Battle Creek, 39th to 37th; Norfolk-Portsmouth-Newport News-Hampton, 47th to 46th; Birmingham, 48th to 47th; Dayton, 49th to 48th, and Albany-Schenectady-Troy, the only newcomer to the top 50, 52nd to 50th.

## 1981/1982 ADI market rankings

ADI	TV HH	Rnk	ADI	TV HH	Rnk
New York	6,410,900	1	Nrflk-Nwprt Nws-H	485,900	46
Los Angeles	4,140,000	2	Birmingham	480,700	47
Chicago	2,968,100	3	Dayton	472,500	48
Philadelphia	2,385,800	4	Wlks Barre-Scrntn	461,900	49
San Francisco	1,959,000	5	Ablny-Schenec-Try	457,400	50
Boston	1,878,600	6	Greensb W. S.-H.P.	451,700	51
Detroit	1,661,400	7	Harrisb-Yrk-Lanc-Leb	445,500	52
Washington	1,465,800	8	Fint-Sgnw-By Cy	442,400	53
Cleveland	1,394,800	9	Shrvprt-Txrkna	429,700	55
Dlls-Ft. Wrth	1,360,800	10	Richmond	428,300	56
Houston	1,276,400	11	Tulsa	422,900	57
Pittsburgh	1,224,900	12	Wichita-Htchsn	408,400	58
Miami	1,106,200	13	Toledo	401,200	59
Mnnpolis-St. Pl	1,094,200	14	Knoxville	395,700	60
Seattle-Tacoma	1,087,000	15	Mobile-Pensacola	387,500	61
Atlanta	1,085,800	16	Jacksonville	369,100	62
St. Louis	1,024,300	17	Des Moines	359,600	63
Tmp-St. Ptrsbrg	937,800	18	Fresno	358,900	64
Denver	874,900	19	Roanoke-Lynchburg	352,200	65
Baltimore	862,900	20	Syracuse	350,500	66
Scrmnto-Stckn	811,400	21	West Palm Beach	349,000	67
Indianapolis	796,700	22	Green Bay	347,800	68
Portland, OR	788,300	23	Omaha	336,800	69
Hrtfrd-N. Hvn	785,000	24	Albuquerque	333,500	70
Phoenix	731,000	25	Rochester, NY	329,900	71
Cincinnati	702,800	26	Prtlnd-Plnd Sprng	322,300	72
Kansas City	696,700	27	Dvnprt-Rck Is-Mlne	322,000	73
San Diego	696,700	27	Pdc-Cpe Girar-Harris	320,900	74
Milwaukee	678,700	29	Spokane	320,300	75
Nashville	655,700	30	Springfld-Dec-Champ	314,000	76
Buffalo	608,000	31	Cdr Raps-Water	313,500	77
Charlotte	606,400	32	Brstl-Kngsprt-J.C.	286,000	78
Orlnd-Dytn Bch	597,500	33	Lexington	285,700	79
New Orleans	588,400	34	Chattanooga	280,300	80
Columbus, OH	580,600	35	South Bend-Elkhrt	277,200	81
Memphis	570,200	36	Springfld, MO	274,900	82
Grnd Rpds-Klmz-B.C.	565,900	37	Jhnstwn-Altn	274,400	83
Greenv-Spart-Ash	551,000	38	Jackson, MS	271,300	84
Prvdnc-N. Bdfrd	548,900	39	Tucson	255,600	85
Raleigh-Durham	548,400	40	Linc-Hasts-Kearn	247,700	86
Oklahoma City	533,100	41	Columbia, SC	242,100	87
Louisville	524,000	42	Evansville	240,900	88
Christn-Hntngtn	521,600	43	Baton Rouge	240,300	89
Salt Lake City	513,100	44	Huntsv-Deca-Flor	239,500	90
San Antonio	491,900	45			



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# Tele-scope

(continued)

## 1981/1982 ADI market rankings

ADI	TV HH	Rnk	ADI	TV HH	Rnk
Youngstown	233,300	91	Bangor	119,300	151
Austin, TX	229,300	92	Medford	115,800	152
Springfield, MA	227,000	93	Missoula-Butte	112,200	153
Ft. Wayne	219,400	94	Abilene-Swwtr	111,500	154
Peoria	218,600	95	Albany, Ga	109,100	155
Lansing	213,900	96	Utica	100,700	156
Sioux Falls-Mitch	209,400	97	Florence, SC	98,800	157
Fargo	209,300	98	Sarasota	95,000	158
Waco-Temple	209,300	98	Idho Falls-Pctll	93,300	159
Brlngtn-Platt	207,700	100	Tyler	92,000	160
Greenvil N. Bern- Wash	203,300	101	Rapid City	87,600	161
Colo Sprngs-Pueb	197,900	102	Laurel-Httisbrg	83,000	162
Savannah	192,500	103	Elmira	82,000	163
Madison	190,800	104	Alexndria, LA	81,800	164
Las Vegas	190,200	105	Panama City	80,400	165
El Paso	187,200	106	Alexandria, MN	79,300	166
Augusta	187,100	107	Salisbury	79,200	167
Rockford	185,600	108	Billings-Hardin	75,800	168
Columbus, GA	183,300	109	Clarksbrg-Wstn	75,500	169
Monroe-El Drd	179,300	110	Dothan	74,600	170
Charleston, SC	178,900	111	Wtertwn-Crthge	74,500	171
Salinas-Monterey	178,500	112	Lake Charles	71,600	172
Lafayette, La	178,000	113	Gainesville	70,300	173
Amarillo	174,600	114	Ardmore-Ada	69,100	174
Duluth-Superior	173,400	115	Greenwood-Grnvll	66,600	175
Snta Brbra-Snt Mri-S Luis	170,100	116	Jonesboro	66,000	176
Joplin-Pittsburg	168,900	117	Great Falls	63,900	177
Wheeling-Stubnvll	166,500	118	El Centro-Yuma	58,000	178
Montgomery	165,700	119	Blix-Glfrpt-Pscgl	57,400	179
Eugene	163,500	120	Eureka	54,900	180
Yakima	163,300	121	Palm Springs	54,600	181
Ft. Myers-Naples	161,700	122	Meridian	54,300	182
Terre Haute	161,200	123	Casper-Riverton	53,000	183
Beaumnt-Prt Arthr	160,300	124	Marquette	52,400	184
Wichita Falls-Lwtn	157,900	125	Roswell	52,300	185
Wilmington	157,000	126	Grand Junction	49,900	186
La Crosse-Eu Clre	156,500	127	Cheyenne	49,500	187
Tallahassee	156,000	128	Tuscaloosa	48,700	188
McAllen-Browns	154,700	129	St. Joseph	47,600	189
Corpus Christi	154,200	130	Harrisonburg	46,200	190
Sioux City	152,800	131	Jackson, TN	44,000	191
Wausau-RhineIndr	151,200	132	Lafayette, IN	41,200	192
Binghamton	147,500	133	Bowling Green	40,800	193
Traverse City-Cad	146,600	134	Anniston	40,700	194
Reno	146,000	135	Lima	39,400	195
Bluefld-Bckly-Ok H.	145,800	136	Mankato	37,400	196
Erie	145,400	137	San Angelo	34,900	197
Lubbock	145,100	138	Parkersburg	34,500	198
Macon	144,300	139	Ottumw-Krksvll	30,400	199
Boise	141,500	140	Twin Falls	30,300	200
Topeka	139,600	141	Zanesville	30,000	201
Rchstr-Msn C.-Aust	138,500	142	Presoue Isle	29,100	202
Columbus-Tupelo	138,400	143	Laredo	28,900	203
Chico-Redding	131,400	144	Farmington	26,000	204
Minot-Bsmrck-Dck- nsn	131,300	145	Selma	25,500	205
Quincy-Hannibal	128,500	146	Bend	24,000	206
Cimbia-Jeffrsn C.	124,700	147	Victoria	24,000	206
Odessa-Midland	124,300	148	Helena	16,700	208
Ft. Smith	120,700	149	North Platte	15,800	209
Bakersfield	120,300	150	Alpena	15,100	210
			Miles City-Glendive	10,800	211
			TOTAL U.S.	81,486,300	

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## Stations view radio on bird cautiously

By Robert Sobel

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**The importance of satellite-distributed radio services will be discussed in two separate forums at this year's National Association of Radio Broadcasters convention. The new technology's importance as a programming tool and its advantages as a delivery system will be explored.**

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Full-service radio programming through satellite distribution is drawing a mixed reception from station executives. Most of the brass interviewed from station groups raise questions about whether satellite technology will be able to provide additional viable program services. At the same time, they admit to its "power" as a delivery tool with a lot of sex appeal and the potential to reshape and possibly revolutionize the radio industry.

The new technology's importance as both a programming tool and its advantages as a delivery system will be discussed in separate forums at this year's National Association of Radio Broadcasters convention, to be held September 13-16 in Miami Beach. One session, a cable and satellite forum, will be held on September 13 at 8:30 p.m.

The other panel will look at the engineering side of satellite transmission and distribution and is set for September 15.

The most often repeated reasons cited by the broadcasters interviewed for giving a cool reception to satellite program services center mainly on the fear of loss of local identity, costs and loss of inventory in giving up some commercials time to the supplier, while questioning the need to sign for the service in the first place. All in all, the overriding attitude coming from the station people is to elect to wait until one or more of the services establishes a successful track record.

On the other side of the fence, the program suppliers are stressing quality of sound, professionalism of production and of the deejays and the money-making potential in using the service.

The fact that the satellite technology is seen by many in the radio industry as changing the face of the business in the next few years is causing a lively scramble for position. About a half-dozen fulltime services have announced they are moving ahead for a blast-off; one programmer, due to launch its operation at the end of last month, has added an additional channel; and at least four new services are being planned. These include two formats by ABC and a 24-hour country music format being set up by two former Mutual Broadcasting System executives and one ex-WHN New York executive. Nick Verbitsky, former



**"It's highly unlikely that savings can be as large as some of the programmers are claiming."**

*Fred Walker, Insilco Broadcasting.*



**"I can visualize the time when some of our stations will utilize part or all of a 24-hour program."**

*James P. Arcara, Capital Cities Communications.*



**"The only way automation saves money is if the station playing the format is a simulcast operation."**

*Gary Stevens, Doubleday Broadcasting*

MBS senior vice president for stations and operations and vice president and general manager of WHN, is president of the country music venture, called United Stations. He expects the format to be on the satellite shortly after January 1 and is negotiating with Mutual to lease one of its channels. His two associates in the venture are Ed Salomon, former WHN program director, and Frank Murphy, ex-MBS vice president, station relations. Dick Clark is an investor in the format and also a principal in the company.

Verbitsky explains that the format will be basically similar to the one employed at present at WHN and will be geared to adults 24-54, target demo for the station. The service will be supplemented by news and sports segments, material for which may come from Mutual or another network, but which will be used with the service's own announcers. Broadcasts on the bird will emanate from Manhattan, either from Mutual facilities or from an alternative site, where new studios will be set up, according to Verbitsky.

### Guest deejays

The format will also include country music performers as host deejays, doing about one or two hours per week, a concept that has proven successfully on WHN, notes Verbitsky, who feels this is one of the advantages his service has over the Burkhart/Abrams/Michaels/Douglas & Associates' country music format, Country Coast-to-Coast. In the case of Burkhart, *et al*, the company recently added Bonneville Broadcast Consultant's beautiful music format to its web, the Satellite Music Network. In the joint venture between Bonneville and SMN, the beautiful music format will share transponder space with the SMN programs, including the pop adult format, StarStation. All three formats were scheduled at presstime for an August 31

blastoff date, making SMN the first operational syndicated 24-hour music service on the bird.

At Bonneville, John E. Patton, vice president and general manager, notes that the company will become a partner in SMN as the network grows. As of presstime, about 40 stations have subscribed to either the country or adult contemporary format, according to SMN manager, George Williams. But at this point, only a fraction of these will receive the formats by dish, while the

sions the satellite lineup to build in conjunction with the installing of dishes by stations. Bonneville had about 100 stations getting the music via tape.

Patton says Bonneville is charging subscribers the same annual fee for its service as it does for its tape-delivered program. The two Burkhart formats differ from Bonneville's regarding national commercials allotment for each. Burkhart, which charges stations a monthly fee of \$1,000 for each format, is keeping two national minutes per hour; Bonneville is getting one minute.



**"Our affiliate list represents some markets in the top 15, and after that it's spread out. Total station lineup is 57 and 'still counting.'"**

*Dwight Case, Sunbelt Communications*



**"The new format will contain plenty of room for local elements, similar to the way we handle our other syndicated product."**

*Pat Shaughnessy, TM Companies*

other stations will not get the service until they're plugged in, he adds.

Bonneville had about six stations ready to receive its beautiful music satellite service and expects to add about 20 stations by the time of launch. The format is being sold to its current subscribers and new ones, and Patton envi-

The selling of SMN's national spots is being handled by Katz Radio and, according to Ken Swetz, president, "no sales" had taken place as of presstime—about one week before the projected launch date. However, he says, that advertiser interest in SMN has been "exciting." He adds that a marketing



**"Any spot loss is predicated on the assumption that the station is sold out. Most stations aren't."**

*Stanley D. Bush, KSSX Salt Lake City.*

campaign has been held back, awaiting the hook-up of the satellite service.

Swetz says that he expects to start pushing for advertisers during the last week of August, "when we have an exact line-up of hooked-up stations to present to the sponsors. At this point, there is a roll-out situation and the station lineup will build as more stations get connected."

### Enterprise refinancing

However, a growing lineup of stations may not be the single answer to a rep's prayers. Enterprise Radio, Avon., Conn., has recently been placed in a "refinancing" position because the growth of affiliates hasn't kept pace with advertiser support, admits Tony Masiello, director of operations at ER. As of last May, the 24-hour sports satellite service, which uses the AP transponder on Westar III, had an affiliate line-up of 65, with the number expected to grow to about 100 by the end of the year.

Masiello continues that the bid to seek additional funding doesn't mean the service is "teetering," as had been reported in an industry newsletter. He notes that when the company went public it delineated in its prospectus that it might seek additional funding. From an advertising viewpoint, Masiello says ER's health is good, pointing out that A.C. Delco has recently made a major buy, while Campbell V-8 and Ford Motor Co. have been assigned for flights.

Nevertheless, station groups that have been approached as possible investors in ER have been lukewarm to the idea, feeling the programming is too weak to sustain over a 24-hour period. However, they believe their appetite would be whetted if ER had at least one major play-by-play franchise, which might help to turn things around for the service.

Masiello notes that ER made a pitch

this year to acquire the radio rights to Monday night baseball, the playoffs and the World Series from Major League Baseball, but struck out, although it allegedly outbid CBS for the license. Masiello claims that Major League Baseball rejected the bid because "ER was not established enough." The service has done some play-by-play—the Stanley Cup finals, for example—and this January will air the football action at the Blue Bonnet Bowl for the first time.

Meanwhile, also shaping up for programming on satellite, are two newly announced entries, ABC and TM Programming, Dallas, prominent syndicator. ABC is planning to launch two services, a 24-hour talk show, and a full-service music entity. The ABC Radio Enterprises projects come on the heels of the network's setting in motion a satellite digital distribution system for all four of its conventional networks as well as two new conventional networks. Two other major networks are also planning setting up satellite distribution systems. NBC will launch two new "full-service" networks, and CBS will debut a network targeted to 18–34 year-olds in April or May of 1982. Meanwhile, Mutual Broadcasting System and RKO are also



**"We have worked out, after long research, a format that will be compatible in the local markets and times that a local station can break in at pre-determined intervals."**

*Rick Sklar, ABC Enterprises*

spreading their wings on the bird (TV/RADIO AGE, May 18).

According to Rick Sklar, ABC Radio Enterprises vice president of programming, the talk format will get off the ground first, followed by the music programming service, sometime at the end of March, 1982. Initially, the talk

service is expected to air 18 hours daily, Monday through Friday, including an overnight show. The service will be fed on a real-time basis so that each station will air 12 hours. Weekday hours will most likely be 10 a.m.–4 p.m., and midnight to 6 a.m. and there will be a "hole" for local or national news twice per hour, says Sklar.

The news "windows" will be up to six minutes long and will be positioned on the top of the hour and on the half-hour, but affiliates may take some of the time for local commercials, explains Sklar. The service will program to cover both time periods. The format, *ABC Talk Radio*, will keep four national minutes per hour, and up to 14 minutes are provided for station use.

### KABC personalities

The broadcasts will emanate from the KABC studios in Los Angeles, where two studios are being constructed for satellite use. The first roster of personalities for the service has been set, and all are KABC on-air persons, notes Sklar. These are Michael Jackson, Dr. Toni Grant, Ira Fistell and Ray Breim. Not all their KABC programs will be carried on the bird and subscribing stations have options on limiting their coverage.

Sklar points out there may be an East Coast segment as well and that there will probably be a total of seven personalities doing the show when it goes 24 hours. He says that he has received about 150 inquiries on the new operation and interest was extremely strong at the recent National Association of Broadcasters convention in Chicago, where ABC presented the concept to radio people.

Sklar is keeping a tight lid on the projected music format until the venture gets closer to launching. But, he says, the service will be aimed at adults and will probably consist of an adult contemporary format. Since the competition in music-by-satellite is getting heavy, Sklar notes, he says he is willing to go slow on lift-off to "create a format that has the best quality and professionalism." Both formats will be carried on Westar III.

The TM service will also consist of a full-service music format, and it will be geared to the 30-plus demos, says Pat Shaughnessy, president of TM. Although the launching date of the program has not been firmed, Shaughnessy says he is considering a satellite distribution proposal and the service may be on the air sometime next year. Shaughnessy adds that the new format will contain "plenty" of room for local elements, similar to the way his company's

*(continued on page 85)*

# New anchors, possible repeal of PTAR add fuel to already hot TV network news competition

By Mel Friedman

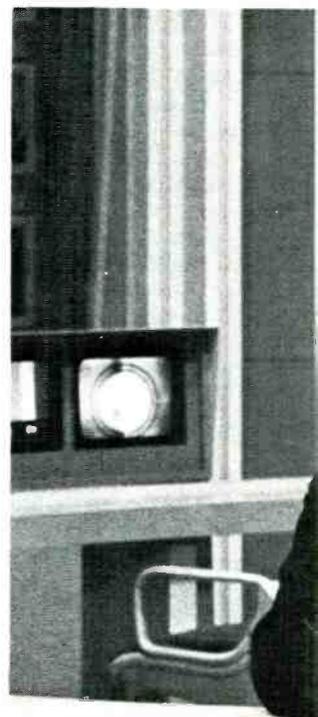
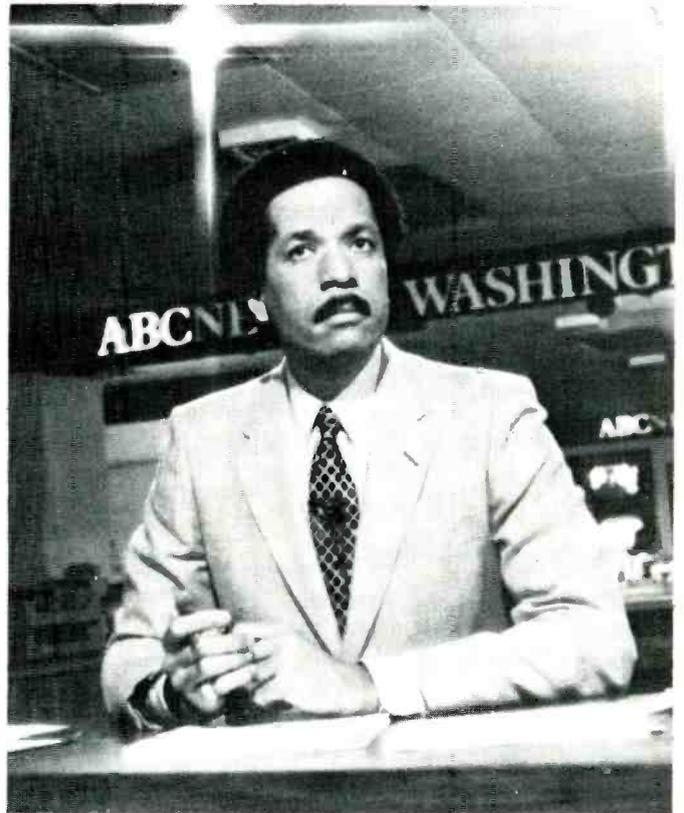
All is not quiet on the network television news front. Six months after Walter Cronkite's retirement from the *CBS Evening News* and his replacement as anchor and managing editor by Dan Rather finds the network evening news competition hotter than ever. Moreover, the rising prospect that the Primetime Assess Rule (PTAR) will be repealed has revived the contentious issue of clearing an additional half hour of early evening network news.

The *CBS Evening News*, which enjoyed virtually uninterrupted dominance of network news during Cronkite's nearly 20 years' tenure, is doing rather better in the ratings under the new anchor than many agency observers expected. Nevertheless, Cronkite's departure has signaled the end of an era in broadcast journalism (back in 1963, for example, he was the first to shepherd his newscast into the new world of the half-hour format), and it is not surprising, therefore, that along with the inevitable softening of his loyal following has come an intensified effort on the part of the other two networks to chip away at CBS' lead.

If anyone doubted this, ABC-TV brought the point home in a mid-July week when its *World News Tonight*, copped a 10.7 rating and 24 share to wrest first place from Rather's newscast, which registered a 10.3 rating and 23 share. The *NBC Nightly News*, anchored by John Chancellor, was third with 9.4/21. This marked the first time in almost three years that CBS had been toppled as evening news leader during a "typical" week—that is, one in which there had been no special-event coverage (political conventions, the royal wedding in England, the assassination attempt on President Reagan, etc.) affecting viewing levels.

Agency buyers of network television foresee this ebb and flow of ratings as the rule rather than the exception in the future, though most, when pressed, still tend to give CBS the fine edge in the ratings race over the short haul. Among other things, they believe the addition of Bill Moyers to the *CBS Evening News* as senior news analyst will give the broadcast extra depth. Moyers returns to CBS News under a five-year contract as of November 1 after a three-year sojourn at the Public Broadcasting Service, where he produced *Bill Moyers Journal*

*The accession of Dan Rather, below, to Walter Cronkite's spot as anchor of the "CBS Evening News" has afforded the news teams of ABC-TV's "World News Tonight," r., and "NBC Nightly News," below r., an opportunity to vie for CBS-TV's lead in the network news ratings, a feat which ABC-TV accomplished one week in mid-July.*



and the upcoming, 18-part *Creativity* series.

According to agency analysts, ABC News is the fastest-moving news operation, having come from behind to make steady gains in the ratings over the past three years. ABC News is credited with high marks for its commitment toward rebuilding its news profile as well as innovative work on *World News Tonight* and *Nightline*, the first late-night half-hour network newscast. No one regards *World News Tonight's* summer victory over *CBS Evening News* as a fluke.

Few, for that matter, are willing to count out NBC-TV, which has always hung tight with CBS. Agencies regard the network's announced decision to make Roger Mudd and Tom Brokaw co-anchors of *NBC Nightly News*, beginning next April, as an astute move, and one destined to shore up the program's fortunes.

Whether it is coincidence or not is hard to say, but following hard upon the passing of the mantle to Rather at CBS has come a renewed campaign on the part of the networks to get the Federal Communications Commission to repeal the PTAR. NBC has spearheaded the network drive, filing a petition with the commission in August calling for rescission of the rule, following a petition for partial repeal by Chronicle Broadcasting. The move is strongly opposed by many network affiliates on the grounds that PTAR repeal would upset an established and successful program and sales

*Advertisers would support hour-long network news, agency sources say, citing the quick success of ABC-TV's late-night news program "Nightline," anchored by newsman Ted Koppel, r.*



structure and that its retention serves the interests of localism in broadcasting.

The total value of station revenues in the 7:30-8 p.m. (ET) access period has been variously estimated to be between \$500 million and \$600 million, although station profits are much less, taking into account the costs of program acquisition or production, plus sales expense.

### Advertisers back hour news

Should PTAR be repealed and the networks then proceed to take the most likely course of action by moving into what was formerly prime access time to open up a 45-minute or solid hour block of news—assuming clearances—the national advertising support will be there waiting, agency officials state.

Aside from the traditional appeal of advertising associations with network news—prestige, immediacy, desirable demographics—advertisers have been increasingly turning to news buys as a hedge against preemptions and uncertain ratings in primetime. Another possible motive, suggests one agency source, is the growing influence of pressure groups, which have been monitoring primetime television for telltale signs of sex and violence. As grim as the evening news may sometimes be, it can hardly be accused of pandering, and advertisers now perceive such buys as a sanctuary from the TV furies.

Whatever the causes, network news sales have been bullish since the second quarter. The third quarter is sold out and fourth quarter sales are reported to be brisk. An average 30-second spot on Rather's *CBS Evening News* is said to be going for \$45,000-plus, with spots on the NBC and ABC newscasts reported to be selling for \$32-34,000.

On the question of Dan Rather's probable success in holding onto Walter Cronkite's viewing constituency, most agency sources tend to be in agreement. Their view is summed up by Jeffrey A. Manoff, vice president and director of broadcast at Foote, Cone & Belding, who says, "Walter Cronkite is a tough act to follow. And it would have been a

problem for anyone who succeeded him, whether it be Dan Rather or Walter Cronkite, Jr." While Manoff notes that Rather, since he took over the broadcast on March 9, is "not holding the kind of ratings Cronkite had," he does not draw negative conclusions from that. Rather's ratings have hovered fairly consistently at the 10.5-11 level since June, he says, "and if he can get to a maintenance level and then promotionally increase on that," his ratings are likely to improve. Who's to say, Manoff queries, that had Cronkite stayed on, the competitive changes introduced by the other two news operations would not have occasioned the same decline in the ratings for him?

In terms of quarterly averages, the Nielsen N1I data show the following ratings and shares for the three network newscasts: for the fourth quarter of 1980, CBS (Cronkite) achieved a 14.9/27, NBC a 12.9/23 and ABC a 12.1/22; for the first quarter of 1981, CBS (Cronkite) got a 16.3/27, NBC a 13.8/23 and ABC a 13.2/22; and for the second quarter of 1981, CBS (Rather) obtained a 12.1/25, ABC an 11.0/23 and NBC a 10.7/22.

Manoff's preliminary analysis is "that the younger viewer is shifting to ABC and that the middle-aged, real loyal Cronkite viewer is probably going to NBC."

### Shift in viewing

There are several factors behind the rise of ABC and the slippage of CBS, states Mike Drexler, executive vice president and director of media and programming at Doyle Dane Bernbach. "In part, it's due to Rather. Cronkite had the enormous image of the statesman and a pretty loyal following. It's not necessarily that Rather isn't doing a good job. He is doing a good job. But there are still people who have this tremendous affinity for Cronkite and I don't think anyone could have supplanted that."

Another important factor to consider, Drexler believes, is "the burgeoning news





**[If the networks go to an hour of news] "the affiliates are going to have a fit. What are they going to do with their local news programs? Is there going to be over two hours of [local and network] news in a row?"**

*Al Sanno, BBDO*



**"Walter Cronkite is a tough act to follow. And it would have been a problem for anyone who succeeded him, whether it be Dan Rather or Walter Cronkite, Jr."**

*Jeff Manoff, Foote, Cone & Belding*

sources on television, which have begun to take hold." Citing ABC's *Nightline*, Ted Turner's Cable News Network and Independent Network News, he says that "These sources have probably provided viewers with more access to news and information on television than ever before. And that's where people might want to go if they don't want to go with a traditional evening news broadcast."

There's a good possibility, he continues, that viewers who may have left

Rather to sample the competition "will return or set up new patterns of news viewing because there are these additional viewing options. Right now, CBS and ABC are virtually in a tie-breaking situation."

Don Mohr, vice president and director of network broadcast for Compton Advertising, perceives the narrowing of the gap among the three network news operations as ultimately a good thing for advertisers. "CBS is not just going to

automatically get an order that they might have gotten if Cronkite were there. We don't think CBS *has to be* in the news buy. You can buy NBC and ABC and exclude CBS at this point. They have no commanding lead and there is no major reason compelling an advertiser to be on CBS News."

### Impact on news sales

Does that mean CBS's prices will have to come down? "It'll mean that CBS will have to lower their prices to be competitive," Mohr states, adding, however, that the network has so far shown no signs of flexibility. "If it costs them a few orders here and there, then they will be flexible. They don't command that extra 5 per cent over the other networks in terms of CPMs. That's gone."

Jim Burnett, director of ABC News sales, also contends that it's a new ballgame since March. "For the last 20 years, an advertiser would come in [to an agency] and say 'I want Cronkite,' and he would pay a premium for Cronkite. What has happened now is that there is no Cronkite and no clear leader, so they're coming in and buying 'evening news.' So the buyer has to go back and sell one network against the other now."

If the Cronkite mystique is no longer a factor, what is the explanation for the

*(continued on page 88)*

## Computerized avails systems for local TV selling are taking over in the major markets

While Mini-Pak's new computerized ADLINE spot paperwork system for agencies is still in the testing stage at two shops, the company's SESAMI avails system and the competing Buy Line system out of Memphis-based Data Communications Corp. (BIAS), meanwhile, have been boosting their lineups of installations at television stations this year.

Buy Line is on line at 14 stations and at the 13 sales offices of its one charter station rep, Harrington, Righter & Parsons. SESAMI is installed at 81 stations and its sister REPLINE system is working for 11 television, as well as two radio, reps—Torbet and Eastman. Major station group clients include Metromedia, Jefferson Pilot, Taft,

Outlet and Gaylord.

SESAMI is also scheduled to go into action for nine additional TV stations this month, and seven more are signed up for October. Mini-Pak executive vice president Mike Bower expects SESAMI to be on 150 stations by July, 1982, "most of them in the top 50 to 75 markets, because when one station goes on in a market, the snowball effect sets in and the competition wants to be in on it, too."

Three additional stations are waiting for installation of DDC's Buy Line, and WCSC-TV Charleston is planning to go on line next year.

Those who've tried the two systems like them. The two complaints are "being worked on." One is that they aren't in-

terfaced—which may happen yet, though they tried to join forces once before, then backed off. The other, concerning Buy Line, is the time lag between appearance of new ratings books and the transfer of their contents into the system. Outside of that, most customers of both systems appear to be well-satisfied and many are downright enthusiastic.

Peter Devereaux, general sales manager at WXEX (TV) Richmond, Va., calls Buy Line "most versatile," and says he's "impressed with the way DCC's people have bent over backwards to work with the station and with our new rep, Katz, to translate the program rationale from Katz' KOSMIC system to Buy Line and insure a smooth transition." The Richmond station was one of the first HRP

clients to go on Buy Line, and Devereaux says that HRP and DCC were learning as much as the station was at first. Since the station's switch to Katz, Buy Line has been upgraded with a number of improvements, Devereaux notes.

Mini-Pak customer Hal Protter, executive vice president and general manager of KPLR-TV St. Louis says, "To give you an idea of the priority we assign to it, we had SESAMI already installed at our new station, KRBK-TV Sacramento, the day it went on the air. The electronic mail aspects of it alone, replacing TWX, phone calls and express mail between us and Sacramento, pay a substantial part of the cost of the whole system for anyone with a station group operation."

Similarly, Mike Jones, managing director of Jefferson Data Systems in Charlotte, agrees with Protter on cost savings in communications: "Mini-Pak's electronic order processing feature is one of the major savings because it virtually eliminates the TWX and cuts out a lot of duplication of effort, too. The confirmed order is automatically printed out at the station in the same form as it is on your rep's books. That way there's no chance for the misunderstanding and errors that occur in TWX communications."

### Regional sophistication

Another SESAMI user is John Garwood, general sales manager at WSB-TV Atlanta. Says he: "We use the same system locally and regionally as our national rep does because a lot of major national agencies have regional buying staffs here. They demand the same level of sophistication in avails presentation that they're used to in New York. But it's also a very effective local sales tool. Its flexibility and high speed free up my staff for more developmental work and more retail sales."

Buy Line user Jeffrey Lee, general sales manager for KPRC-TV Houston, observes that Buy Line is "particularly useful in a market like ours where the major agencies maintain full-service offices, and whose buyers expect the same professionalism from sellers of broadcast time as the buyers in their New York and Chicago offices. McCann, Y&R, Ogilvy, Benton & Bowles and Ketchum MacLeod all have offices in Houston. And J. Walter Thompson is in Dallas."

DCC client Bill Moylan, vice president, sales and operations at KFMB-TV San Diego, reports finding Buy Line "extremely helpful. It's so much faster than having to work up the information manually that it allows our sales people much more time on the street."



*Nancy Macauley, top l., at WNEW-TV New York, gets some fast answers from her new SESAMI as Mini-Pak's Janet Speckert shows her some of the system's fine points. Below, in Nashville, Julia Stone looks over a confirmed order for WTVF (TV) as it comes in on the SESAMI printer from TeleRep.*



Moylan recalls that they "used to spend far too much time handwriting all their instructions, then giving it to an assistant who would have to spend more time typing it up."

"But now one girl handles Buy Line. The salespeople tell her what day parts and demographics they need, and that they want, for example, last November's shares adjusted to July's HUT levels. The machine takes it from there."

"And instead of just typing everything by rote, the assistants now have time to really learn what it is the salesmen are trying to do and why. Then, if they have the ambition and the right personality, they can become saleswomen themselves. On average, I'd say that Buy Line gives our sales people about 10 more hours a week of actual selling time than they had before we got the system."

Paul Bankston, general sales manager at WPTY-TV Memphis, reports that his station has been on Buy Line since the first of this year "and it does just what it's supposed to do, but we have had a problem with lag time in getting the new information from our rep into the system every time the new rating books come out. However, DCC is working on this

and we expect a speed up in delivery with the July books."

Bankston explains that up to this point, anyway, the station has run into "a lag time of as much as two weeks and sometimes more between the time the new report appears and the person that DCC keeps at Petry could enter the rep's new research into DCC's computer in Memphis. It's a manual entry. But they expect to fix that by flying the planning material that Petry prepares to DCC headquarters."

In Louisville, local sales manager Tom Bornhauser says that WHAS-TV has had Buy Line "for all of a week and a half, and it's worked fine so far." Bornhauser notes that HRP "took a lot of time investigating available computerized systems before they went on Buy Line (TELEVISION/RADIO AGE, November 17, 1980), and it gives a station a lot of capabilities as far as using different books goes, and in which audience estimates we want to use. If we're planning to put a new show in a time period, it gives us the ability to put in our own estimate."

"From a management standpoint, just one thing it does is keep reminding you



Jack Harris, (l), president of KPRC-TV Houston, and Nancy Long, continuity director, check latest sales planner printed out by DCC's Buy Line avails system.

## ABC study: radio listeners aren't turned off by ads

Advertising content plays only a minor role in determining a radio station's image and listeners, according to a study on radio commercials conducted by Statistical Research, Inc., for the ABC Radio Network.

Bill McClenaghan, the network's director of research, says the study was commissioned at the request of ABC's Contemporary network affiliate board, which was concerned about the possible negative impact of personal care commercials for such things as feminine hygiene, complexion and rash treatment products.

Results of the study indicate that programming elements are, by far, the factors most important in formulating a station's image and causing listeners to tune in, tune out or switch stations.

According to McClenaghan, "the results of this research suggest an individual radio station subjects itself to an extremely low risk of affecting its image or the size of its listening audience by carrying specific commercials which are perceived by some to be 'offensive'.

"The study indicates," McClenaghan continues, "that the *number* of commercials carried by a station is far more offensive to the listener than is any *specific* commercial." However, he points out that even this factor has a relatively minor impact compared to negative programming elements.

### Literature search

Prior to going ahead with the study, ABC asked SRI to do a literature search to find out what information was already available about the impact of "offensive" or "objectionable" commercials on audiences.

According to Norma Soffer, director of client services at SRI, "There was very little on offensive commercials. It's one thing to talk about a commercial 'bothering' you; it's another to be offended by the subject matter. We couldn't find anything totally relevant."

SRI conducted the study from May 20 to June 22, 1981, using two samples: a general population sample of 1,010 adults, 18-54; and a sample of 196 adults, 18-54, who were known listeners of the Contemporary network.

that there are proposals out there until some action is taken on them."

A Mini-Pak client, equally new, is WCCO-TV Minneapolis-St. Paul. Local sales manager Bob McGann reports that his people have "only been practicing for a week but so far we've had no problems, and it's all worked out very well. We input all the shows we want to submit for to TeleRep, for our local as well as national accounts. They do the research for us, then send back their version, which pops up, all typed, on the printer here.

"We can use that just as is, or, if a salesman doesn't like it, he can improve on the rep's version. For instance, there may be reasons that we think some programs will probably do better, here in this market, than what they average nationwide. If it's a new show with no track record, we'll apply the Telcom or Ted Bates share projections to the HUT levels."

### Adds professionalism

Also using his rep-Mini-Pak combination to advantage is Jay Haller, general sales manager of WDBO-TV Orlando, Fla., one of the four Outlet stations on SESAMI. Says he: "It works very well. We enter our input, Petry receives it and sends back the research estimates from the statistical bank they maintain. This way the rep takes over a function that the station is not really staffed to handle."

Haller adds that "We do need the numbers today. Our regional sales people cover the whole state of Florida. There are quite a few agencies now in this state whose buyers expect a major-market level of expertise and professionalism when it comes to avails submissions. It gives our sales staff not only a more

professional looking and more complete presentation, but gives them a great deal more time to devote to selling our product."

Another station using a Mini-Pak-Petry combination is WJLA-TV Washington. Research director Lin Wallace observes that while most of the station's national sales are based on Nielsen, the local sales team uses Arbitron. So Wallace has created sets of local SSUs (Station Sales Unit, such as a program, an adjacency or a daypart) based on Arbitron.

Wallace has also set up files tracking historic audience delivery of various kinds of programming. Petry arranged, for example, to have Mini-Pak reload ratings tapes back to October 1979 on WJLA's local news, and this is now in the station's computer file. So now, she says, "If one of our sales people asks for an odd demographic break on news, instead of having to pull 16 different ratings books from previous years and having to go through them manually, I can just punch it up on the system and the computer does the work. And if he wants it, it prints out a paper copy for the salesman."

Wallace credits Mini-Pak with saving "hours and hours" of manual computation. "One thing that makes it easy for salespeople is that the CRT shows you your choices of information needed to fill in the blanks. If they make a mistake, the machine rejects inappropriate information and tells the user right away to go back and correct himself."

In Miami, WCIX-TV installed SESAMI in April. Traffic manager Linda Hill notes that WCIX is also on DCC's BIAS traffic system. "Before we went on

(continued on page 84)

Although the Contemporary group may seem extremely small, McClenaghan emphasizes that "we went back over three or four surveys to get a representative sample."

The general population sample was divided into two probability stages. One stage was households selected using a random-digit-dial procedure so as to include unlisted telephone numbers; the second stage selected one random person per household.

### Open-end/closed-end

Two types of questions were asked: open-end questions to which respondents volunteered reasons why they tuned in, switched stations or turned off the radio; and closed-end questions for which people were given a list of reasons why they might do these things.

The importance of programming in listeners' tuning decisions was apparent from the very beginning.

In an open-end question asking for "reasons for sometimes switching stations," 50.9 per cent of the general population and 60.2 per cent of the Contemporary sample indicated it was because they "dislike programming."

Only 12.2 per cent of the general population sample and 10.2 per cent of the Contemporary respondents indicated they sometimes switched stations to either avoid a commercial or because there

were too many commercials. No one in either sample reported sometimes switching in order to avoid a specific commercial.

In a closed-end question, offering several possible reasons for sometimes switching stations, "dislike music" ranked first with 42.9 per cent of the general population and 45.4 per cent of the Contemporary network sample. "Too many commercials" ranked second with 29.3 per cent of the general population and 26.0 per cent of the Contemporary sample citing this as the cause. However, "dislike a specific commercial" was selected by only 9.3 per cent of the general population sample and 5.1 per cent of the Contemporary network respondents.

McClenaghan points out that, in the closed-end questions, "There is a problem with asking about commercials. When the subject of commercials is raised, many people think of commercials per se and have a problem of drawing clear distinctions between any commercial, the number of commercials and a specific commercial."

Many people, he says, will tend to inflate their negative reactions to commercials because they feel this is the commendable point of view.

Soffer explains this problem a different way. "Our experience," she says, "is that many subjects in surveys try to match what they think is the norm. They try to please the interviewer or be oblig-

**Programming, according to ABC's study, is the factor most important in formulating a station's image and causing listeners to tune in, tune out or switch stations. In a question eliciting "reasons for sometimes switching stations," 50.9 per cent of the general population sample indicated it was because they "dislike programming."**

ing—especially when it's relevant to a morality issue or self-image. We try to diffuse that."

Among those who did indicate they switch stations because of a commercial they didn't like, very few (1.2 per cent or less) mentioned personal and complexion care or bubble gum, product groups of particular concern to Contemporary network affiliates.

Some other interesting points that surfaced with regard to switching stations were:

- The incidence of switching among men (44 per cent) is greater than among women (33 per cent).
- The incidence of station switching decreases as age increases.
- Heavy listeners (44 per cent) exhibit a much greater incidence of switching stations than do light radio listeners (32 per cent).
- More than 60 per cent of the sample indicated they do more station switching in cars than in home.

### Western variance

A curious finding was that persons living in the western quadrant of the country switch stations 50 per cent more frequently than their counterparts in the central and southern sectors and 20 per cent more than those in the northeastern part.

Says McClenaghan: "There is no explanation for this, but it showed up in both samples. Maybe people drive more in the West."

A very small percentage of respondents (2.2 for general population; 3.1 for Contemporary) indicated in the open-end questioning that they turn off the radio because of commercials. The biggest voluntary reason for turning off the radio was "to do something else," (53.0 per cent for general population; 57.7 per cent for Contemporary).

### Reasons for sometimes switching stations

*Open-end—voluntary*

	General population	ABC Contemporary
Dislike programming	50.9%	60.2%
Seek different program	17.1	12.2
Avoid commercial/too many commercials	12.2	10.2
Avoid a specific commercial	0.0	0.0

### Reasons for sometimes switching stations

*Closed-end—multiple choice*

	General population	ABC Contemporary
Dislike music	42.9%	45.4%
Dislike personality	10.6	8.7
Catch news	12.3	14.8
Commercial comes on	11.5	6.6
Too many commercials	29.3	26.0
Dislike a specific commercial	9.3	5.1

Source: ABC Radio Network Radio Commercials Study

However, in closed-end questioning, 33.2 per cent of the general population sample indicated that turning off the radio was related to commercials. This was considerably larger than the 17.3 per cent response for the same choices from the Contemporary sample.

In attempting to determine the effect of commercials on a station's image, those surveyed were asked for their perceptions about the number and kind of commercials a station carries. Most of this questioning was closed-end.

In answer to the question, "Do stations differ in the quantity of commercials?", 61.7 per cent of the general population sample and 65.8 per cent of the Contemporary respondents felt some stations carry more commercials than others.

However, when asked "Do stations differ in types of commercials broadcast?", 59.6 per cent of the general population and 64.8 per cent of the Contemporary listeners said they believed all stations were alike.

### Perception of other stations

Although most of the respondents may not listen to enough different stations to be qualified to make such judgments, SRI's Soffer emphasizes that respondents, "may have a perception of a station even if they don't listen to it. They may hear a radio in someone's office or home." Young people, she adds, "may talk about 'doctor's office music' even though they don't listen to it themselves. But they have a perception of what it is."

Approximately 20 per cent of the general population felt that some stations carry more offensive commercials than others. That group was split just about 50-50 on the question: "Do stations with objectionable commercials carry desirable programming?"

The types of commercials played on radio stations seem to have less effect on the amount of listening done by the Contemporary sample than by the general population sample; however, slightly more than 6 per cent of both groups said they sometimes switch stations or turn the radio off in response to the types of commercials played.

A very small percentage of respondents in both samples said they stopped listening to a station because of objectionable commercials. When those surveyed were asked about what kinds of commercials they didn't like, personal and complexion care and bubble gum received far fewer mentions than other kinds of products and services.

Among those who indicated that some

*(continued on page 82)*

## CCA keeps rolling amid criticism of radio merchandising techniques

In the competitive scramble for ad dollars, some radio stations—particularly in smaller markets—have emphasized product merchandising tie-ins with packaged goods manufacturers and retailers, a game played to the hilt for the past 29 years by the Westport, Conn.-based Community Club Awards. But while some station executives, rep firms and advertisers say that merchandising can build product awareness and boost station revenues, the radio "establishment" tends to disavow certain aspects of it as a counterproductive strategy which ultimately cheapens the perceived value of radio time.

Two of the industry's leading spokesmen, Radio Advertising Bureau president Miles David and Blair Radio president John Boden, criticize the practice.

"Advertisers buy media because of media values," says David. "By offering gratuitous extras, stations can lower their perceived worth as media buys."

Despite such high level displeasure with merchandising, Community Club Awards has carved out a unique niche for its merchandising program, which involves collection of proof-of-purchase tokens by clubs. Scores of stations and advertisers have been involved in it over the years. Numerous leading packaged goods companies have participated—names like Lever Bros., Pillsbury, Kellogg's, Bristol-Myers, Colgate, Nestle, Ralston-Purina, Maxwell House, etc. Contrary to widespread belief, the most active stations are not all in small or medium markets. Outlets in Denver, Atlanta, Kansas City, Honolulu and other top-30 markets are counted among CCA's most loyal participants.

### Rep support

Moreover, some radio rep firms such as Eastman Radio and McGavren-Guild voice qualified support for radio merchandising and initiate such campaigns among their stations. McGavren-Guild's six-person new business development department, under director Erica Farber, counts merchandising as its major activity. Scores of advertising clients and stations have participated, she says, since the unit was formed less than two years ago.

"Radio merchandising has turned into a self-liquidating activity for us, with a



*John C. Gilmore, Community Club Awards president*

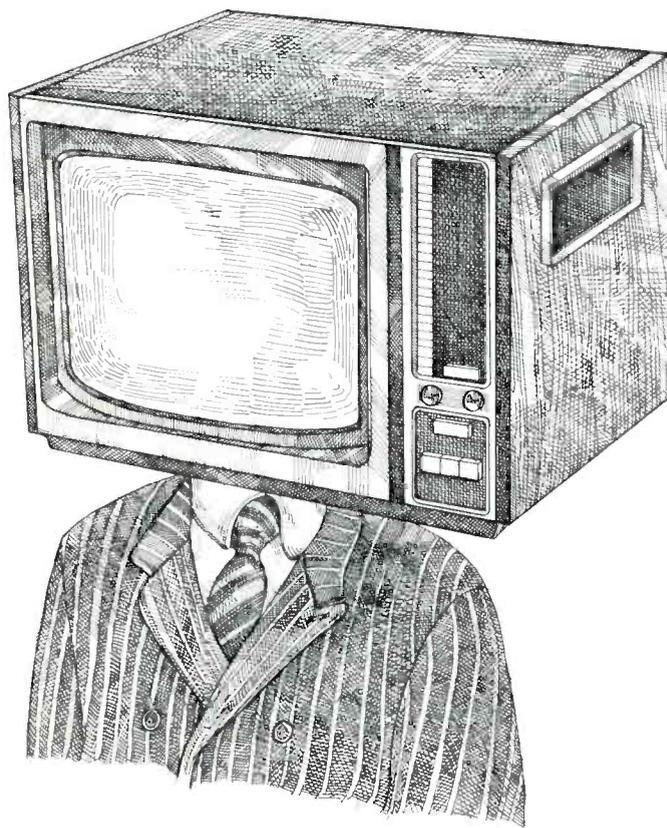
major corporate financial commitment," says Farber. "Ad agencies don't really want to be bother with it—they don't have the expertise—but it has brought us increased business."

McGavren-Guild's merchandising strategy is comparable to CCA's: a triangular relationship among one or more local stations, an advertiser and that advertiser's local dealers. The rep firm typically underwrites the costs of point-of-purchase sales aids, which its client radio stations seek to place at a selected national or regional advertiser's local dealers. Various other premiums, incentives, sweepstakes, etc., may also be involved, underwritten by McGavren-Guild or by the sponsor. Customized on-air spots emphasizing the special dealer promotions might or might not be part of the campaign; there are numerous permutations.

To this triangular relationship, Community Club Awards adds the sales boosting power of local non-profit clubs, typically local women's groups. Under CCA's guidance, a station coordinator works with designated CCA club chairpersons in the participating clubs, to rally club members to collect proof-of-purchase materials for the products of participating advertisers. These materials might be box tops, bottle caps, receipts, etc., generally for 30 or more products being advertised on the air. Local clubs compete against each other to compile

*(continued on page 82)*

# VIEWERS ARE THE STARS OF SOME OF OUR BEST PROGRAMS.



Some of the best programs we're involved in never get on TV. That's because they're community programs. And the only stars are the people we help.

Whether it's dealing with the problems of the Black and Hispanic communities, or making Christmas a reality for needy children, or running a marathon to aid retarded citizens, or helping promote community health centers—RKO Television stations know that some of the best programs we run happen when the cameras aren't rolling.

So at RKO, there's always something good on TV—even when it's off.



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**9**  
WOR-TV  
NEW YORK

**9**  
KHJ-TV  
LOS ANGELES

**7**  
WNAC-TV  
BOSTON

**13**  
WHBQ-TV  
MEMPHIS

**On October 11, 1981**  
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**UNIVISION** brings multi-national companies a new television medium with the ability to deliver an advertising message to the entire Spanish-speaking world simultaneously, from a single source, with complete control.

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**SIN** National Spanish Television Network  
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# Viewpoints

## Why are broadcasters being attacked?



James H. Rosenfield

## Television didn't invent controversial social issues

## Nothing new in criticism of entertainment's influence

**Why is it** that broadcasters are facing an assault on our role as entertainers in the 1980s that is, in some ways, as severe and as dangerous as the assault we faced as news providers during the years of the Nixon White House, Watergate and Vietnam?

Well, part of this onslaught can be explained by turbulent times. Though the concerns of the 1960s and 1970s are still with us, the 1980s are shaping up as a decade of social conflict, involving a battle of traditional values against new values.

In a provocative essay on this conflict, Daniel Yankelovich has compared this cultural collision to the shifting of plates under the earth's surface just prior to an earthquake. He defines one such driving force as self-fulfillment, and associates it with the growing acceptance of premarital sex, childless marriage, two-career marriages, legalized abortion, and overt homosexuality. Opposed to this, he finds, is a growing moral backlash, represented by those who seek to restore traditional norms of religious and family behavior, built upon sacrifice, self-denial, and commitment to others.

Expanding on his earthquake metaphor, Yankelovich says: "Those living closest to society's fault lines are the first to be thrown into new predicaments. But even those at a distance feel the tremors."

I think it is safe to say that we in television are on the fault lines of those huge and shifting, conflicting value systems. For, as we know all too well, when concerns about civil rights and violence in the streets were rising in America, there was a tendency to blame the social ills of the 1960s and 1970s on television.

**Of course**, there are those who say television, and the advertisers who support it, would *not* come under attack if entertainment programs did not treat the social problems that are of concern to those forces. If there were no mention of homosexuals, premarital sex, child abuse, pornographers, abortion, and other social issues, the problems would seemingly go away and television would be safe. But television didn't invent those social issues.

As network radio emerged during the Depression, social scientists arrived on the scene to question whether soap operas were turning housewives into passive pawns of Stella Dallas. By the 1950s, comic books became a concern.

By the 1960s and the 1970s, of course, all attention focused on television, which had then become *the* vehicle for popular entertainment. These were also turbulent times, with cities swept by riots, and with the all too well-remembered assassinations. Looking for answers to this tide of violence, government turned to academics and researchers, unleashing a flood of government funding for studies on the effects of television violence, and efforts to limit it. Meanwhile, pressure group campaigns against television violence were mounted by groups like the PTA, the AMA, and Action for Children's Television. During this period, there also was a flowering of civil rights activity and special interest politics. Minority groups and other pressure groups claiming to represent feminists, gays, business, labor, environmentalists, and others, agitated against entertainment programming that they viewed as hostile to, or indifferent to, their interests or viewpoints.

**What they find** harmful differs widely, but there are some common elements. One view, common to many intellectual critics, is that popular entertainment—or mass culture as they like to call it—is garbage, that it debases high culture, bewilders and beguiles working people and, in the view of like-minded social critics, makes the masses controllable by big business and advertisers, making people want goods they don't need, and embracing values they should reject.

Of course, this fear that popular entertainment controls the public, turning people into automatons, is nothing new. There have been similar attacks on paperback books, pop music, movies, radio and any other form of entertainment that elitists have thought the public should not want or should not have.—**James H. Rosenfield**, *president CBS Television Network, in a recent speech before the Memphis Advertising Federation.*

# Programming/Production

## Syndicators vs. repeal rule

Major syndicators, especially those heavily involved in supplying first-run programming for access, are up in arms over the networks' strong bid to repeal the prime access rule. (See related story, page 54, this issue.) They assert that the scrapping of the edict will have a devastating effect on their industry and would deprive millions of viewers of quality programming. Also, some syndicators charge, the move is a smokescreen by the webs to grab local time under the pretense of being self-righteous, while seizing the moment as an opportunity for deregulation as espoused generally by the Reagan administration.

**ITC Entertainment's Abe Mandell**, president, says that if the rule was eliminated it would be a terrible blow for the industry. "There would be no *Muppet Show* or *PM Magazine* or other such shows of high quality, which are better than the caliber of many network shows. None of the networks picked up *The Muppet Show*, for example. Syndicators have done what the networks have failed to—to give properties that are highly appealing and have the best quality."

Furthermore, he adds, the abandonment of the FCC access rule would prevent the production of some new pilots for access—similar to the quality and appeal of *The Muppets*—that the company is committed to do.

At **Viacom, Michael Lambert**, vice president, domestic syndication, feels the repeal would not be in the public interest and would defeat the purpose of free enterprise. He notes that before the access edict, only 16 producers were supplying 18 half hours of different product to the networks and its affiliates in the top 50 markets over the week during the 7:30–8 p.m. time slot. Today, he says, there are 27 producers supplying 78 half-hours of different product, representing an increase of 333 per cent in the number of half-hours.

Also, he continues, in 1970 there were no locally-produced regularly scheduled programs in primetime. In the 1980–81 season, there were 96 half-hours of locally-produced regularly scheduled programs on the air each week by affiliates in the top 50 markets—an average of 5,000 half-hours per year—not counting *PM Magazine*, which has locally produced portions.

At **Group W Productions**, the production home of *PM Magazine*, **Ed Vane**, president and chief executive officer, says the rescinding of the access rule would jeopardize the jobs of the 1,000 or more people involved nationwide in producing the show. And, he

adds, it would cause a "bloodstream in the industry regarding jobs, because it would most likely eliminate the positions of the alumni of *PM Magazine* who are now employed in local outside roles as news directors, producers, etc."

He adds, however, that he doesn't see *PM Magazine* going down the drain even if the repeal was enacted. Its overall success is too sweeping for it to be lost, he says. He feels that if worse came to worse, it would find a spot in a different daypart. Vane believes that giving the access slot back to the networks would have a damaging affect on the first-run syndicators that would be irreversible and would choke up a needed airtime supplyline. "The result would be far fewer productions and more competition in a time period that is already tight."

**Sandy Frank**, president of **Sandy Frank Productions**, which will launch its new *You Asked For It* this fall views the networks' repeal proposal as a move to enrich themselves and to take advantage of the government's general philosophy to decentralize power. He says the networks are "trying all kinds of tactics to make what they are doing seem as if it was for the public interest. But if news is so essential, why don't they put it on at 9 p.m., instead of talking about expanding the news into the access time slot?"

## Polygram sets 2 projects

Nine-month-old **Polygram Television**, which has been taking its first syndication steps with caution, is preparing two noteworthy leaps into the first-run arena. The two series are on opposite sides of the programming spectrum, one a "serious" series, the other a game show. First off, will be *The Eric Sevareid Chronicle*, a 24 half-hour series dealing with provocative issues.

According to **Norman Horowitz**, president of Polygram, the program will stay away from hard news and Sevareid's role will not be to narrate the shows. "Instead we expect Sevareid to be provocative and to take an advocate position on the issues involved." Each show will contain two or three different segments, composed of material produced by the Canadian Television Network and by WNAC-TV, RKO General owned station in Boston.

RKO is co-financing the series with Polygram. Horowitz is a firm believer in establishing co-op arrangements with stations on the financing of syndicated projects, and is looking for other deals similar to his tie with RKO. The pilot will be produced in November and the plan for *Sevareid* is to offer it for a Jan-

uary airdate, notes Horowitz. The series is being sold via cash, stations have the choice of airing it as 12 one-hour shows, or in the half-hour form. Horowitz is recommending a weekend spot in primetime for the series.

The game show project involves *Queen for a Day*, a highly popular daytime show which, between radio and television, ran for nearly 20 years (April 29, 1945 to October 2, 1964). It began live on NBC radio, then switched to NBC television and moved to ABC where it spent its last five years.



Horowitz

Details on the show's format haven't been ironed out yet and just how much the new production will relate to the original hasn't been determined as yet, says Horowitz. A start date for the pilot hasn't been set. Arber-Harlan Productions, however, will be producer.

Also for syndication, Polygram is preparing a package of made-for-TV movies, which it expects to offer within a year, and it's also looking at projects for the pay-TV market, Horowitz says.

## Syndication shorts

**Metromedia Producers Corp.** has added 15 markets, and seven have renewed their signing for *The Merv Griffin Show* for the fall. New markets include KMOX-TV St. Louis, KWGN-TV Denver, KAME-TV Reno, WATL-TV Atlanta and WPTV West Palm Beach.

**Syndicast Services** is distributing *To Russia With Elton*, hour special starring Elton John. It was filmed in the Soviet Union during a two-week, eight-concert tour. Clearances for the special, which will be sponsored nationally by Bristol-Myers, include stations in Los Angeles, Boston, Houston and St. Louis. The company is projecting clearances in more than 100 markets.

**Samuel Goldwyn Co.** has licensed the *Goldwyn Family Six Pack* to the Field Communications stations. Features include *The Proud Rebel*, *Return to Boggy Creek*, *The Charge of the Model T's* and *Where Time Began*. Goldwyn has acquired the Canadian production *Outrageous* for the U.S., for network, syndication and pay-TV. It was released theatrically in 1977 and is about a homosexual hairdresser and a young schizophrenic.

**American Television Syndication** has

cleared more than 100 markets for *An Evening at the Improv*, one-hour late-night series that will begin airing September 15. Lineup includes KABC-TV Los Angeles, WOR-TV New York, WFLD-TV Chicago, KRON-TV San Francisco and WJBK-TV Detroit. The show is taped from the Hollywood nightclub Improv.

*Here's Lucy* has a current lineup of 73 stations. Among the new outlets are WNBC-TV New York and stations in such groups as Group W, Cox, Lee, McGraw-Hill and Capital Cities. The series is distributed by Telepictures. Telepictures has acquired the overseas rights to *The Great Space Coaster*, kid strip which starts its second season next month. It's distributed in the U.S. by Cluster Television.

Viacom has added six markets to the lineup of *Petticoat Junction*, for a current total of 54. New stations include KTXA-TV Arlington, KEVN-TV Rapid City, KTXL Sacramento and WXAQ-TV Jacksonville. Viacom has cleared seven markets for *The Andy Griffith Show*, bringing the present total to 130. Added outlets include WLOS-TV Asheville, KVOS-TV Bellingham, WRET-TV Charlotte and KRIV-TV Houston.

A new series of 13 half-hour programs on vegetable gardening is being shot in Charlotte, Vt., for syndication and cable. Executive producer is John Kerr, formerly of WGBH-TV Boston. In addition to the series, a number of brief gardening tips are being filmed as a stand alone product. Producer/director is Chris Gilbert.

*Weekend Heroes*, new weekly half-hour sports/talk series, has been bought by WCBS-TV New York, KABC-TV Los Angeles and WMAQ-TV Chicago. Gold Key Media is distributor.

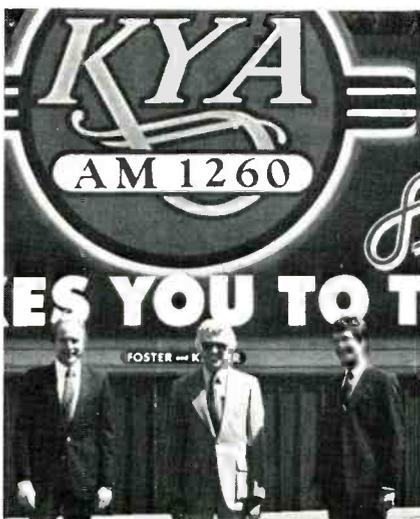
King World Productions is distributing *Showdown at the Palace*, one-hour special of the Leonard-Thomas championship bout September 16. Included in the special are interviews with Muhammad Ali, Angelo Dundee, and others. It's available via cash.

### Viacom's 'Journal' flies

Viacom's newest syndicated entry on the bird, *Louis Rukeyser's Business Journal*, has cleared 25 of the top 50 markets and seven of the top 10, according to Michael Lambert, vice president, domestic syndication. The CBS-owned stations, as well as stations of the Gannett, Outlet and Storer groups, are part of the present lineup. The half-hour program is being offered on a barter basis, with three minutes for national and three for local sale.

American Express is the initial ad-

vertiser, with half of the national time, according to Lambert. He says that the program, which is committed for a 52-week "go" beginning October 11, is being sold on a two-play basis per week. Most of the stations are planning to play *Journal* twice a day, generally on Sunday. The series which features Rukeyser as host, will focus on an exploration of the business and financial markets and will have debates on current economic issues and events as well as offer news and information on the week's major happenings. There will also be a segment offering tips on finances and on-location coverage of each week's top corporate, industrial or economic story. Robert Wold is handling satellite distribution of the series.



*KYA San Francisco is using a rotating painted bulletin to herald its recent change to an all-oldies format. L. to r., are, Gary Fiset, the station's marketing director; Warren Owens, Foster and Kleiser account executive; and general manager Fred Schumacher.*

### NRBA has big registration

The National Radio Broadcasters Association is projecting that this year's convention, to be held September 13-16 in Miami Beach, will exceed last year's registration. Tallied as of presstime were 1,350 registrations, which is running ahead of last year's pace, according to an NRBA spokesman. Exhibit hall space commitments are about equal to last year's at this point, with about 130 reserved.

While there is still some space available, the NRBA is looking for a sold-out convention by the time the parley starts. On the non-business end, the Miami Beach Theater of the Performing Arts

has been rented for September 15 for a Ronnie Milsap superstar concert.

### Zooming in on people

Bill Novodor has been named vice president of **Metromedia Producers Corp.** Novodor comes to MPC from Time-Life Productions, where he was in charge of movies and miniseries. Before that, he was vice president in charge of TV at Joe Wizan Productions. At T-L and Wizan, Novodor was involved in the development of many movies for TV.

David Brenner has been appointed director, advertiser sales, at **MCA TV.** The new position is part of an expansion in the advertiser-supported program area by the company. Brenner's media/broadcast experience includes a stint with the Turner Broadcasting System, as account executive.

Paul Vane has been named account executive for *Post-Newsweek Distribution.* Vane will be based in the Marina Del Rey offices of P-N. He previously worked for P-N Production as an accountant.

Clare Simpson has joined **D.L. Taffner/Ltd.** to cover Eastern network and ad agency sales. Before joining Taffner, Simpson was president of his own TV packaging and consulting firm.

Leonard Sherman has been appointed director of research at Lexington Broadcast Services. Previously, he was director of station research at Group W's New York offices.

### RadioRadio posts named

CBS Radio has filled some key executive spots for its new young-adult-oriented network, RadioRadio, which will be launched next spring. **Robert P. Kipperman** has been named vice president and general manager; **Lawrence Storch**, director of sales; **David P. West**, director of affiliate relations; and **Leslie J. Corn**, director of programming. In addition, CBS News has appointed Larry Cooper as news director of the new network, which will offer a blend of news, features music specials and concerts for stations that program to the younger audience.

Its programming schedule calls for two minutes of news every hour geared for young adults and produced by CBS News, which will co-produce some features.

A minimum of two music or concert specials of varying lengths will be presented each month during the first year, plus 90-second features four times daily. Kipperman is rejoining CBS Radio from the TV network where he was vice pres-

(Continued on page 72)

# Commercials

## In-house production at GL&K

**Graham King**, president of Miller King Productions, describes it as an opportunity to build his production unit into the fabric of a new agency as well as a means to expand his unit's creative horizons.

What he's talking about is the recent agreement to merge two ad agencies—Lerner, King & Associates, Inc. in New York and Leon Lerner & Partners Ltd. in London—into subsidiaries of Grey Advertising. As part of the deal, Miller King Productions will be folded into Grey Conahay & Lyon, New York, and the resulting combination will be renamed Grey Lyon & King.

In England, Tape One Productions, a sister production house, will be folded into the Grey subsidiary in London.

King, who will become executive vice president of Grey Lyon & King, says he expects to be handling his own production accounts in the new agency as well as any new production assignments that might come his way from GL & K clients as a result of the merger. Lerner, King & Associates was established in 1978, largely to handle two giant publishing accounts of the Rupert Murdoch chain, *The New York Post* and the *Star*. Its client roster grew since then to include about a dozen new accounts, including Games Management Services (which operates the Lotto game for the New York State Lottery), WMCA Radio, Jamesway stores and the Island Helicopter group of companies.

The merger of Lerner King & Associates with Grey Conahay & Lyon creates an agency with collective billings in excess of \$30 million.

The thread linking the kind of production accounts handled by Miller King Productions right now is that they all are "fast and furious", says King. "Working on the *Star*, *Post* and Lotto business requires us to do 50-60 commercials per year for each client.

"Our work has more of a retail flavor," he adds, noting that this orientation should fit in well with many of the new agency's accounts.

He does not expect the in-house production shop to handle all of GL&K's clients. Such assignments will be on a per-client elective basis, and other production houses will be bid as usual.

"We are noted for our economy and our efficiency," he says. "We have a fast turnaround and we seem to come in with a lot less cost" judging from other boards, he observes.

The merger, he continues, "is wholly beneficial to us. For a long while, we have been a production-intensive production house with a few clients. Now we

will be broadening our production and client base." The shop folds into the new agency as a self-contained unit.

At the present moment, King says that he has no plans to add new staff, although as new accounts are assigned to his in-house operation, he may have to begin expanding. And he freely acknowledges that business has been so active that the shop will have to run harder just to stand still with its existing client roster.

## Commercials circuit

**N. Lee Lacy/Associates Ltd.**—Director **Susan Smitman** of the studio recently completed a total of 65 30-second "micro-programs" entitled *From Me to You* through the production company's Los Angeles office. The project was conceived and created by **Baron Productions** of Los Angeles principals **Barry Bergsman** and **Barry Jacobs**. **E. Jeff Smith** scripted all programs. The entire package took 14 days of shooting. Director **Brian Gibson**, meanwhile, shot two United Airlines commercials for the **Leo Burnett Company**. The spots were filmed on locations in southern California, and feature the theme "Why wait for tomorrow when you got today." For the agency, **Cheryl Berman** was associate creative director, **Budd Watt** executive art director and **James Manera** art director. **Doug Huse** was agency producer. On a third assignment, this one for **Ogilvy & Mather** and its client, Publishers Clearinghouse, director **Henry Holtzman**



*N. Lee Lacy director Henry Kaufman, l., shown on the set of the Publishers Clearinghouse "Talking Envelopes" shoot.*

shot a TV 30 entitled "Talking-mail desk." The spot called for a 10-foot lamp,

five-foot tall house keys and human-sized talking envelopes. The team for the two-day shoot, on-location in New Jersey and also using a New York sound stage, included agency producer **Linda Mevorach**, art director **Herb Jager**, writer **Bernie Rosner** and assistant producer **Kathy Reagan**.

**Independent Artists**—Publishers Clearinghouse and **Ogilvy & Mather** also selected Independent Artists to shoot one of the talking letters spots. **Mark Lieberman** directed this 30, in which four letters, including one from Publishers Clearinghouse, "speak up" in a consumer's mailbox. For the agency, **Linda Mevorach** and **Kathy Reagan** were the producers, **Bernie Rosner** the writer and **Herb Jager** the art director. **Sally Gift** created the costumes for the "envelopes," employing a "soft sculpture" technique. **Peter Passas** and **Jack Horton** were cameramen for the studio. **Paul Rosen** was executive producer.

**NBE Productions**—Director **Nat B. Eisenberg** recently completed a package of TV 30s for Bullock's Department Stores, Los Angeles, via **Grey Advertising**. All six spots were shot in L.A. and featured the department store's seasonal clothing lineup, cosmetics and white sales. For Grey, **Catherine Land** was producer, **Jean Goldsmith** art director and **Abbie Heller** copywriter.

**MFAC**—**Maurer, Fleisher, Anderson & Co.**, a Washington-based ad agency recently completed two spots for the United Steelworkers of America. The spots, both 60s, were shot by MFAC's in-house production company and were post-produced at **Devlin Productions** in New York. **Jerry Anderson** produced and wrote the spots for the agency. The project was supervised by **Bob Trussell** of the film department of MFAC. At Devlin, the film was transferred from 16mm to one-inch videotape using the Rank Cintel telecine, and then edited in CMX. Film transfer and color correction was performed by Devlin's **Giorgio Malfitano**, with **Gregg Featherman** doing the CMX editing.

**Whitson & Associates**—**Richard Perkins** directed a new TV 30 for Occidental Life and its agency, **Dailey & Associates**, Los Angeles. The L.A.-based production company had to come up with a specially made baby carriage—one that could hold triplets—for the spot. The only known manufacturer of such a product was in Italy, and shipping took a reported four months. So special effects expert **Kim Eddy** built a facsimile for the shoot. **Cliff Einstein**, agency creative director; **Mike Ridell**, associate creative director and **Jay Oswald**, copywriter, teamed up for the assignment. **Steve**

Banks was agency producer. **Dick Whitson** produced for Whitson & Associates and **Jim Gillie** was director of photography. Post-production was completed by **Ace & Edie**.

**E. J. Stewart Video**—**E. J. Stewart Video** has finished production of a series of TV and radio spots for **Marc and Co. Advertising**, Pittsburgh and its client, the Philadelphia Area Dodge Dealers. The package updates the highly successful "Dodge Boys" theme of a few years ago, and adds the "Dodge Girl," actress Susan Kelbe. Through special effects, a price sticker is shown being shot full of holes. Representing Marc and Co. were **Ed Fine**, creative group head, and **Mary Anne Shaffer**, producer. For E. J. Stewart, **David Lindqueter** was director, **Kathy De Bay** producer, **Richard Kaufman** cameraman and **Bill Kaplan** video/audio.

### Zaccheo forms new company

**Louis A. Zaccheo**, former director of creative services for Group W, has resigned to form a television news and image promotion company for Broadcast Advertising. First clients are said to in-



*Louis A. Zaccheo*

clude Group W Corporate advertising WMAR-TV Baltimore and KPIX(TV) San Francisco. Zaccheo has held positions at Group W since 1956. Most recently, he was director of creative services for the Group W television station group. He is the winner of numerous industry awards, including the ADDY, Atlanta Film Festival and Broadcast Promotion Association Awards.

### B&B elevates nine

**Benton & Bowles** has elevated nine persons in the creative department: **Peggy Bell Masterson**, **Richard P. Kassof** and **Joseph R. Toto** have been named senior vice presidents, and **Karen Gray**, **Marcia Sarubin**, **Paul Koreto**, **Nell McCarren**, **Susan Perry Ferguson** and **Joey Reiman** have been named vice presidents.

**Masterson** joined the agency last May. Prior to this, she was senior vice president and creative director with Ted

Bates & Co. for seven years. She holds the position of creative group head.

**Kassof**, a creative group director, joined the agency in 1978 as a copywriter and was promoted to vice president, associate creative director in April, 1980. Previously, she worked with Dancer Fitzgerald Sample, Grey Advertising, Shaller-Rubin Associates and Ketchum-MacLeod & Grove.

**Toto**, a creative group head, had been based in B&B's Los Angeles office for three years before coming to New York in August. He joined the agency in 1977 from Grey Advertising, where he had been a group head.

**Gray**, a creative supervisor, joined the agency in April of this year. Previously, she worked at Scali, McCabe, Sloves, where she served as copywriter for the last two of her five-year tenure. Before that, she was with Foote, Cone & Belding.

**Sarubin**, a creative supervisor, joined the agency in 1980 as a copywriter. She had served with Foote, Cone & Belding as a senior writer from 1978 to 1980 and a copy supervisor at Leo Burnett Company, Chicago from 1975-1978.

**Koreto**, a creative supervisor, returned to B&B last February after working at N W Ayer, where he was a vice president, creative supervisor. Earlier he had been a copywriter at B&B, later serving also with Ted Bates and Doyle Dane Bernbach in the same position.

**McCarren**, who came to B&B in September, 1980, assumed her present title of creative supervisor in January of 1981. Prior to that she was a copywriter at McCann-Erickson, Atlanta in 1980 and worked in the same capacity at Burton Campbell Advertising, Atlanta from 1977-1979.

**Ferguson**, a creative supervisor, joined the agency in March. Previously, she served as copywriter at McCann-Erickson from 1972-1981. She also worked for The Marschalk Co. in Cleveland and in the Chicago office of J. Walter Thompson.

**Reiman**, a creative supervisor, came to B&B in 1979 from Grey Advertising, where he had been a senior copywriter. He had previously been a copywriter at Sklar-Lennet Inc. and junior writer at Alan Wolsky and Friends.

### Admakers

**Gary L. Brahl** has been promoted to creative director at **D'Arcy-MacManus & Masius**, St. Louis, for the agency's Michelob and Southwestern Bell Business Long Distance and Business Sales accounts. Brahl, previously an associate creative director, joined DM&M in 1977



*Gary Brahl*

as a writer. Prior to joining DM&M, he was a writer with Marsteller, Chicago. **David K. Allemeier**, a creative director with the agency has also been elected a vice president of the company. He began his career at DM&M in 1978 as a senior writer on the agency's Anheuser-Busch



*David Allemeier*

Natural Light beer and Red Lobster Restaurants accounts. He was promoted to associate creative director in 1979 and was named a creative director early this year. Prior to joining the agency, he was a creative director with Byer & Bowman in Columbus, Ohio. It was also announced that **Peter R. Serchuk** has joined the creative department as a



*Peter Serchuk*

writer for the agency's AT&T Phone-Center Stores and new business efforts. He was previously with J. Walter Thompson, Detroit, where he was a supervisor for the Ford Motor Co. account.

The Pittsburgh office of **Marsteller** has announced the promotion of three persons in its creative department. **Jane Arkus** has been promoted to vice presi-



*Jane Arkus*

# Selling Commercials

American Greeting Corp. • Doyle Dane Bernbach



I-F STUDIOS, INC., New York

International Harvester • FC&B



WGN CONTINENTAL PRODUCTIONS, Chicago

Leo Burnett Co.



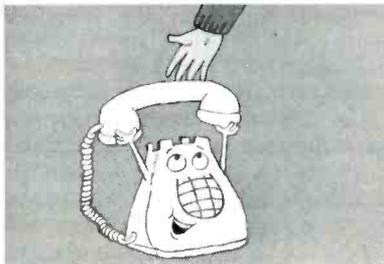
PERPETUAL MOTION PICTURES, New York

Mutual of Omaha • Bozell & Jacobs



COAST PRODUCTIONS, Hollywood

New York Telephone • Young & Rubicam



PHIL KIMMELMAN & ASSOC., New York

Toyota • Dancer Fitzgerald Sample



SNAZELLE FILMS, INC., San Francisco

USA Network • GM Communications



I-F STUDIOS, INC., New York

WPIX/Eight O'Clock Movie



DOLPHIN PRODS., N.Y., COMPUTER ANIMATION

dent, senior creative director and chairman of the Creative Review Board. **Kenneth Peters** has been promoted to



*Kenneth Peters*

vice president, creative director. **Jan Kochmanski** has been promoted to



*Jan Kochmanski*

creative group supervisor. Arkus became a creative director after Lando Inc. was acquired by the agency in 1978. Peters was a copywriter and broadcast producer at Ketchum, MacLeod & Grove prior to joining the agency. Kochmanski began his career at Marsteller as an artist, rising to art director in 1973 and executive art director in 1980.

**John Cygan** has joined **Venet Advertising** in Union City, New Jersey as a copywriter. Prior to joining the agency, he held copywriter and production positions with a number of New Jersey radio stations, including WMGQ-FM, WJLK-AM-FM and WJRZ-FM, where he won the 1980 Jasper Award for best commercial in the state.

**Maxim Paetro**, author of *How to Put Your Book Together and Get a Job in Advertising*, has applied some of her own advice. She has joined **Dancer Fitzgerald Sample** as senior vice president, director of creative operations, a newly created position. Before joining DFS, she was vice president, creative department manager at Foote, Cone & Belding. In her new job, she will be responsible for long- and short-term planning, recruiting, allocating manpower, developing and implementing creative policy and providing administrative guidance to the agency's seven creative directors.

**Shaller Rubin Associates** has promoted **Peter Noto** to senior vice president/associate creative director. He joined the agency in 1978 as senior art director from Stoller Weiss, where he held the same post.

## New campaigns

The American Dairy Association is running a \$5-million fall cheese industry

promotion that includes broadcast advertising created by **D'Arcy-MacManus & Masius**, Chicago. The theme of the campaign is "Cheese Adds a Slice of Life," and it expands upon last year's promotion. The 1981 promotion has a budget that is 16 per cent larger than last year's, and it will run through November, two weeks longer than the comparable campaign in 1980. The broadcast advertising comprises two 30-second and one 60-second radio commercials and one 30-second TV spot, to air on network primetime and daytime shows, and in national spot markets throughout the three-month flight.

Ford Motor Company is running a corporate advertising campaign touting the quality of Ford cars. The first wave of the campaign features employees in their working environment telling the stories of their jobs. It began in mid-August and will run for six weeks. Six 30-second TV spots, for network exhibition, are featured in the campaign, the joint work of **David and Albert Maysles**, who produced the spots, and the **Wells, Rich, Greene** advertising agency. The tag of the campaign is "Quality is Job 1." After the first phase is completed, the program will resume in January with additional waves of television and radio spots as well as print promotions.

**Foote, Cone & Belding** has created a new campaign for Replay Chewing Gum, marketed by the Life Savers Co. The 30-second spot, entitled "Park," shows teens and young adults on roller skates and was shot at Van Saun Park, in River Edge, New Jersey. The spot is running on network TV in primetime and in teen-targeted programming.

**Benton & Bowles** reports that its campaign for General Foods' All New Gravy Train, which broke in April, has boosted sales "an unprecedented 33 per cent." In addition, the product's market-share is said to have increased 29 per cent over last year's, moving it from the number-five brand of dog food to the number 2. To add momentum to this effort, two new 30-second TV spots and a radio commercial have just broken to promote consumer trial of the product. On the campaign, **Hal Nankin** is the creative group head, **Paul Koreto** creative supervisor, **Pam Radke** copywriter, **Cortrell Harris** art director and **Jim Phox**, TV producer. **Karen Spector** produced the latest two TV ads, with Koreto again doing the copywork and **Roy Eaton** serving as music producer for the radio and TV "29-cent trial size" promotion effort.

Great Western Champagne is promoting its product through a new 30-second spot, created by **Kenyon & Eck-**

**hardt**. Merrill Ashley, principal dancer of the New York City Ballet, is spokesperson in the spot, which also promotes the New York City Ballet and the Sar-



*Frank Visco of Kenyon and Eckhardt presents a bottle of Great Western Champagne to Merrill Ashley, dancer with the New York City Ballet, who stars in a 30-second radio commercial written by Visco.*

atoga Performing Arts Center. It is being aired in the Albany and Syracuse markets and is part of the wine company's special advertising/promotional campaign in support of the Performing Arts Center.

**D'Arcy-MacManus & Masius** has created a new ad campaign for Pontiac's new J200 car. The campaign consists of three TV 30s taking an upbeat theme, emphasizing the "fun" feeling that comes from driving the car. The music of the Beach Boys provides a background to the spots, which began airing in August and will run through May '82. Placements will be in primetime sports programs and other network fare. **Ronald W. Monchak** was creative director, and working on production were **John Pike** and **Nick Calanni**. **General Television Arts** was the production company.

**Group Visionary Productions** has produced a 30-second PSA for the Infant Hearing Assessment Foundation, featuring impressionist Rich Little. The spot aims at informing parents of early-detection techniques regarding hearing loss in newborn babies. The spot was shot on location at the Daniel Freeman Hospital in Los Angeles. **Larry Higgs** produced the spot, **Larry Neukum** directed and **Steve Rounds** was the cameraman. The spot airs on the CBS network in the fall.

#### **Group W's "Creative Dept."**

**The Westinghouse Broadcasting Co.** has announced that it will make radio campaigns, created by the nation's top pro-

# Dolphin helps

## Norwich Pepto Bismol Benton & Bowles



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ducers available to local clients. Called "The Creative Department," this service will package award-winning campaigns for customization to local stations, which will receive exclusive rights to the campaign. The service will be distributed through an agreement with **FirstCom Broadcast Services** in the 11 Group W cities. The campaigns, done by such pros as Dick & Bert, Chuck Blore and Don Richman and Alan Barzman, were originally targeted for single-market clients. The Creative Department's contracts with the national producers involved are for three-years.

### Music makers

**Ciani/Musica**—**Suzanne Ciani** has created the music for a package of TV 30s for Florida Citrus Growers and its agency, **Dancer Fitzgerald Sample**, New York. The three spots feature a Latin motif, pop arrangement and country and western treatment, respectively. Ciani adds an electronic "pouring" sound via the Synclavier. DFS agency producer was **Glenn Laredo**, copywriter **John Amodeo** and creative group head **Nancy Foster**.

**Joy Art**—Joy Art completed production on a 60-second Kellogg's radio commercial for **Vince Cullers Advertising**, Chicago. A test-market spot, it is currently airing in Philadelphia, Chicago, Atlanta and Memphis. The spot features a "soul western" approach for Kellogg's "Raisin, Rice and Rye" cereal. **Morris "Butch" Stewart** wrote the vocal/instrumental arrangement. **Shirley Henderson** and **Sandra Hunter**, copywriters, represented the agency.

**Don Elliott Productions**—**Bert Blum**, creative director of **Rosenfeld, Sirowitz & Lawson**, assigned Don Elliott Productions to set the agency's new Ford sportscar slogan to music. "Ford Did It—We Made the Impossible Possible" is the jingle tackled by Elliott's shop, based in Weston, Connecticut. The spot is a 60. Elliott also arranged a new treatment for Thomas's English Muffins and its agency, **D'Arcy MacManus & Masius**. Agency producer was **Jerry Jacobs**.

**Perfect Pitch**—**Swink and Schurdell Advertising**, Cleveland, assigned Perfect Pitch to do the words and music for a 60-second radio spot for Bendix Corporation, the Cleveland-based automotive parts company. The spot is part of a regional radio campaign called "Give Your Right Foot a Hand," promoting Bendix's "Cruise Control" for truckers. **Walt Woodward** was composer/lyricist; **Ted Schurdell**, agency producer. PP also finished a four-spot package via **Marcus**

**Advertising**, Cleveland, for Halle's Department Stores, a subsidiary of Marshall Fields, Chicago. The package consists of two 60s and two 30s, two being generic and two promoting an upcoming Christmas sale. **Walt Woodward** again was composer/lyricist and **David Bird** arranger. **Hilda Roller** represented the agency. On a third job, this one for Duro-Permatex/Loctite Brands, a division of the Loctite Corp., the music shop completed 16 product and image spots for the makers of Super Glue and other "fix-it" products. The job required pre-scoring, post-scoring, full vocals and format arrangements. The vocals star singer **Dave Loggins** and Country and Western singer **Janie Fricke**. The package breaks down into five 60s and 11 30s, produced at **The Creative Workshop** in Nashville and mixed at **The Recording Connection** in Cleveland. Voice-overs were done at **The Mix Place** in New York. Woodward was writer/producer and **Jack Williams** composer/arranger. **Wyse Advertising** was represented by **Mike Marino**, creative director, **Clete Haus** copywriter and **Donna Solpa** agency producer.

**Shelton Leigh Palmer & Co.**—**Shelly Palmer** has been assigned to compose and arrange music for a new theme for WOR New York. Individual treatments will be done for morning and drivetime shows.

### "Issue" advertising workshop

Five advertising groups are joining together to hold a special workshop on issue advertising. Sponsored by the 4As, the ANA, the Public Relations Society of America, the Public Utilities Communicators Association and the Television Bureau of Advertising, the program, entitled "Issue Advertising—How to Make it Work on Television," will be held September 15 in New York's Grand Hyatt Hotel. The keynote address will be delivered by John Elliott, Jr., chairman of the board of Ogilvy & Mather. Workshops thereafter will deal with the fairness doctrine (featuring Stephen Sharp, general counsel to the FCC); how to clear messages in important markets; how to "create commercials that inform and persuade without mobilizing the opposition" and how to make TV "work for you," chaired by Herbert Schmertz of Mobil Oil. Luncheon speaker will be Richard Wirthlin, President Reagan's chief pollster and issue strategist.

### Studio appointments

**Ronald Ascher** has joined **FYI Inc.** as vice president of operations. He will manage

the firm's television commercial and video programming activities. He was most recently senior director of Telemination Productions, Chicago, and has had more than 10 years experience in film and video direction and production. Among his recent credits are spots for Sears, Ford, RCA, Marshall Field, Wickes Furniture, Walgreens and Dow Chemical. FYI is located in Oak Brook, Illinois.

**Serge Popper** has been named director of sales at **Stone/Clark Productions**, New York. He comes to the production house from Lipson Films, and has had a broad background in the rep field covering print, broadcast and still photography.

### Ads 'n ends

Westinghouse Broadcasting's **WBZ-TV Boston** has increased its production and broadcast of PSAs promoting the performing and visual arts. The action, part of a statewide "You Gotta Have Arts" campaign, was taken to try to bolster support for arts organizations in a time of declining public-sector support. WBZ has also urged arts groups in the state to apply to the station for PSA production, and has established the "TV Workshop for the Arts" to aid these organizations in gaining access to commercial television. The first workshop is scheduled for November. To apply for PSA production assistance, written requests must be sent to Lois Shoenholz, WBZ-TV, 1170 Soldiers Field Road, Boston, Mass. 02134. Requests must be on organization letterhead and include proof of non-profit status, names of directors, a contact person and telephone number.

**Video Transitions** has added a third edit bay to its facilities, the company has announced. The new bay is designed to meet the demand for direct three-quarter to one-inch on-line as well as traditional three-quarter-inch off-line editing. Equipment features four Sony three-quarter-inch cassette VTRs, one Sony one-inch type-C VTR, a computer image switcher and a Mach One computer.

**Integrated Sound Systems**, a subsidiary of VSC Corp., has introduced a new unit, the TDM 8200 stereo adapter, which can be used with the TDM-8000 Time Compression/Expander to shorten or lengthen the playing time of stereo commercials. The adapter is said to produce a stable time-synchronized stereo image through the use of an intelligent splicing mechanism. Both units can be interfaced with videotape recorder Type C units, three-quarter-inch variable speed videocassettes, turntables and audio tape machines.

# JUST OFF PRESS

## Television/Radio Age



# 1981 PRODUCTION GUIDE

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(from page 65)

ident, eastern sales. Cooper was news director at KCBS, CBS-owned radio station in San Francisco.



Kipperman

## 2 step up local activity

In a continuation of their commitment to local programming, two stations, KOMO-TV Seattle and WPLG Miami, are planning to introduce weekday morning shows. The KOMO-TV entry will be an hour-long locally produced effort and will premiere in the fall, from 9-10. The show, *AM Northwest*, will incorporate both entertainment and topical information, according to Tom Cohen, producer. Cohen is associate producer of *PM Northwest*, the nighttime version of the new show.

*AM Northwest* is aiming for lively diversity, combining live, in-studio interviews, music and entertainment interspersed with feature reports from the field and on-location telecasts, according to Cohen. Other locally-produced shows on the ABC affiliate are *Boomerang*, a six-days-per-week children's program; a *Town Meeting* show on Sundays; and a continuing series of special news reports from Washington D.C.

At WPLG, the Post-Newsweek station will begin airing a yet-unnamed talk show by early 1982, according to Alan Perris, vice president and general manager. He says the show will be the only local one in the market which highlights the entertainers and personalities who live, work or visit south Florida. **Jim Paratore**, director of advertising and promotion, will be executive director of the show. WPLG currently airs more local news and public affairs programming than other station in the market, claims Perris.

## CBS Radio hot in sports activity

National Football League action is back and will return on **CBS Radio**, with the first of 26 games set for broadcast beginning on September 7. These include 16 on Monday nights; five on Thursdays, two Saturday doubleheaders and one Sunday contest. Post-season coverage, which will be capped by Super Bowl XVI on January 24, will be highlighted by the AFC and NFC first-round playoffs December 27, four divisional playoffs con-

ference championships and the AFC-NFC Pro Bowl.

In other sports action at the network, CBS signed a two-year pact with Jim Host & Associates for NCAA basketball, which calls for airing four key games in February, a conference playoff in March, 15 NCAA national championship contests and the title event on March 29. Host owns the national radio rights for NCAA basketball. In baseball, CBS has acquired the rights to the best of five divisional series, starting October 6. The additional schedule was instituted to compensate for the shortened season.

## CMA simulcast October 12

For the fourth year, the Country Music Association Awards show will be made available for radio stations. The October 12 special, which will be telecast live on CBS, is sponsored by Kraft and arrangements are being handled for simulcasts by the J. Walter Thompson Co., agency for the show's sponsor. Lines for authorized stations will be through connections prearranged by CBS with their local affiliates. The awards show will be broadcast from 8:30-10 p.m.

## Lexicon new compressor

**Lexicon**, Waltham, Mass., has introduced a broadcast quality audio time compressor with 15 KHz bandwidth. The new model, 1200B, plays back recorded audio, video and/or film material at faster or slower speeds without changing the original pitch. It will allow reduction of play time by up to 25 per cent or lengthening play time up to 33 per cent, according to the company.

The new model provides 5 KHz greater bandwidth than the existing model 1200. The new unit is priced the same as model 1200, at \$8,500.

## Telepictures revenues up

**Telepictures Corp.** has reported an increase in revenues and earnings in the first quarter ended June 30 over the previous quarter. Revenues were \$5,672,000, compared to \$2,710,700. Net earnings were \$402,300, compared to \$344,500 in the comparable quarterly period of 1980. The company attributes the increases in the current period to the successful distribution of recently acquired properties, primarily *Here's Lucy*.

The disparity between the increases in revenues and earnings is a result of substantial start-up expenses in initial sales efforts of two first-run syndication series, *People's Court* and *Look At Us*; and an

increase in the number of employees and administrative expenses.

## Worldvision, Taritero accord

**Worldvision Enterprises** and **Taritero Productions** have entered into an agreement for the development and distribution of programming for the various TV technologies. Already in development by the production company are several movies of the week, which are being offered to the networks, as well as several TV series concepts. Joe Taritero, independent producer, and Kevin O'Sullivan, president and chief executive officer at Worldvision, announced the deal.

## RCA to show "Hawkeye"

RCA will demonstrate its new television camera/recorder system, *Hawkeye*, at the Radio and Television News Directors Association conference, September 10-12 in New Orleans. The system, which combines a broadcast-quality color camera and VTR in one hand-held unit, uses half-inch VHS cassettes for ChromaTrack, recording format. The camera portion of the system is a three-tube unit, which uses high performance half-inch Saticon or lead oxide pickup tubes. It also includes a full-feature studio VTR and an edit controller. First delivery of the system is set for the first quarter of 1982.

## Radio syndication

**Westwood One's Great American Radio Show** has been renamed *The Rock Album Countdown*. The two-hour show is heard currently on 150 stations and features a countdown of top rock albums plus interviews with artists. Host is Jeff Gelb. KGB-FM San Diego is the newest station to join the *Countdown* lineup. The show is sponsored in the Eastern half of the U.S. by Anheuser-Busch; Coors Beer is western half sponsor.

**Jeffrey Mathieu** has been named manager, satellite network, at **Bonneville Broadcast Consultants**. He will manage all operational aspects of the joint venture with Satellite Music Network (see separate feature, page 51).

**Orange Productions**, Philadelphia, has produced its initial program in a new series, *Something Special*. The first two-hour special, *A Conversation With Steve and Eydie*, features the two performers in an interview with Sid Mark and highlights the music of other performers. Orange also syndicates *The Sounds of Sinatra*, weekly program aired on 17 stations.

More corrections, additions to FCC TV financial report/75

One Seller's Opinion: Industry's growing professionalism/77

Campaigns/76, Appointments/76, Buyer's checklist/80

# Television/Radio Age Spot Report

September 7, 1981

# Winner by a landslide!

**AGAIN!**

## KELO-LAND TV racks up a barrel of Number Ones in nationwide Arbitron Sweeps



<b>#1</b>	ADI S/O - S/O	Women (18-49)	47 share
<b>#1</b>	ADI S/O - S/O	Total Households	48 share
<b>#1</b>	ADI Prime Time	Women (18-49)	41 share
<b>#1</b>	ADI Prime Time	Total Households	43 share
<b>#1</b>	ADI Late News	Total Households	59 share
<b>#1</b>	ADI S/O - S/O CBS	Total Households	48 share
<b>#1</b>	ADI Prime Time CBS	Total Households	43 share
<b>#1</b>	ADI Late News CBS	Total Households	59 share

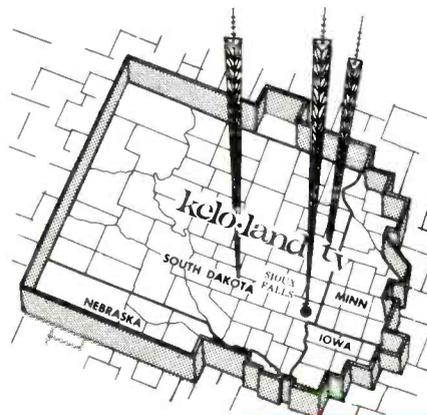


A CBS AFFILIATE

## kelo-land tv

KELO-TV SIOUX FALLS, S.D.  
and satellites KDLO-TV, KPLO-TV

Source: Arbitron Sweeps, May 1981.  
Affiliates of all three networks in equal  
facilities markets. Survey data estimates  
subject to usual qualifications.



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**television  
& radio  
features, inc.**  
CHICAGO AND NEW YORK

78L

# Spot Report

Television/Radio Age, September 7, 1981

## Corrections, additions to FCC TV financial data up spot, local totals

Further corrections and two additions to the market figures in the FCC's recently-released annual TV financial report (see August 10 issue) have been disclosed by the commission. These follow corrections to the Denver market figures (see August 24 issue).

The disclosures included data from two missing markets, Toledo and Burlington-Plattsburgh. The Toledo figures: network compensation, \$3,375,982; national/regional spot, \$8,965,442; local, \$10,704,737; net revenues, \$19,787,031; expenses, \$13,656,372, and income, \$6,130,659. The Burlington-Plattsburgh figures: network compensation, \$1,647,574; spot, \$5,323,393; local, \$3,343,988; revenues, \$9,553,521; expenses, \$7,068,680, and income, \$2,484,841.

The corrections were for Harrisburg-Lancaster-York-Lebanon, with reductions in all the figures: network compensation, \$2,579,495, down \$410,887; spot, \$11,888,577, down \$2,656,321; local, \$8,040,775, down \$1,601,781; expenses, \$17,773,507, down \$2,197,772, and income, \$1,618,738, down \$1,615,577.

The net result of all changes brings spot time sales to a new total of \$2,930,562,929 and local up to \$2,491,092,039. A comparison with the *Business Barometer* estimates shows the *Barometer* estimate 1.2 per cent high in spot and 0.6 per cent low in local.

## Cox opens Washington satellite facility

In its "biggest single change" since the Washington bureau was opened 12 years ago, Cox Broadcasting has moved the office to an electronic journalism center on Capitol Hill. By the middle of this month, the new facility will provide satellite transmission of news stories, in conjunction with the Robert Wold Co., to its five TV stations, now installing dishes.

Bureau chief Andrew Cassells said Cox correspondents will be able to deliver "live" inserts even after newscasts have gone on the air.

## CBS optimistic on co-op flexibility

CBS Television Stations group, which has been expanding its "Framework for Insuring Retail Success With Television" (see also Spot Report on F.I.R.S.T. in August 24 issue) feels that its co-op facets may be more fruitful under the Reagan Administration's enforcement of the Robinson Patman Act.

CBS lawyers interpret the act conservatively re co-op and advise their stations that they shouldn't go beyond instructing retailers, setting up demonstration timetables for co-op plans and designing presentations for retailers to use in soliciting co-op dollars from vendors. But pitching suppliers themselves is considered a no-no.

However, says Paul Koenigsberg, director, retail marketing, for the CBS Television Stations group, the way Federal restrictions are being eased under the present administration there's some hope that enforcement may be eased.

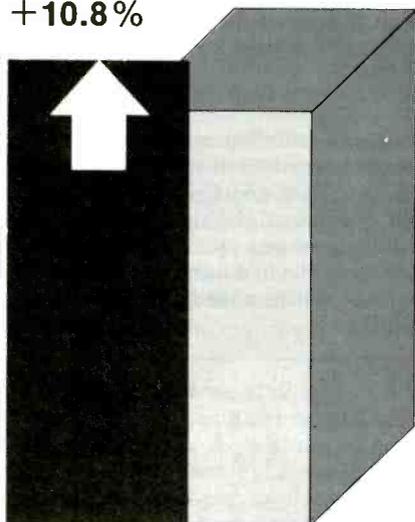
## RAB issues newest "Instant Background" book

To help station sales people "know their prospects" better and faster, the latest volume of *Instant Background* is now ready at the Radio Advertising Bureau. The 75 local business profiles in this new edition include, for the first time, summaries on day-care centers, computers, video stores and outlets that sell wood-burning stoves and energy-saving fireplace equipment. For most kinds of businesses covered, the volume describes their best customers by age, sex, region, race and type of residence; such characteristics of the business as annual volume, number of outlets and growth; when most of their business takes place, by month, and in some cases by day of the week; reasons shoppers prefer one store or service over another, percentage of purchases paid for by cash and by credit, and a breakdown of sales of some items by type of retail outlet.

## June

### National business (millions)

+10.8%



1981: \$238.6

1980: \$264.4

Complete Business Barometer details p. 40

# Spot Report

Television/Radio Age

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## Campaigns

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**American Can Company, TV**  
(*William Esty Co., New York*)  
NORTHERN PAPER PRODUCTS are being offered for 13 weeks during third quarter in a fair selection of mid-western television markets. Media team is directing fringe and daytime spot toward women 25-plus.

**Curtis Mathes, TV**  
(*Young & Rubicam, New York*)  
TELEVISION SET marketer is scheduled for five weeks of corporate advertising during September in a great many Western, Southeastern and Midwestern television markets. Negotiators are using fringe, sports and primetime placement to impress both men and women 18-plus.

**General Foods, TV**  
(*Ogilvy & Mather, New York*)  
SELECTED FOOD BRANDS are sharing 13 weeks of third quarter spot inventory in a long and nationwide spread of television markets. Daytime, prime and fringe placement was set to reach both women and children.

**Gulf Oil Corp., TV**  
(*Young & Rubicam, New York*)  
PETROLEUM PRODUCTS are being recommended during September and October in a select list of television markets. Media plan calls for fringe and prime time exposure to appeal to adults 18 and up.

**Hills Bros. Coffee, TV**  
(*Timebuying Services, New York*)  
MOCHA and OTHER COFFEES will be

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## Strategy shift

Key market spot TV will back a shift in the media strategy of Levi's Menswear Division executed by Foote, Cone & Belding/Honig, San Francisco. Levi's feels the move, which makes it the first apparel manufacturer with major sponsorship in ABC-TV's *Monday Night Football*, will boost retailers' sales of Levi's Action Sta-Prest togs dramatically. Expectation is based on *Monday Night Football* delivery of some 132 million adults 35 to 64. Backing the television push will be heavy merchandising including in-store posters, cassettes and sales clerk training.

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## Apple & Eve

Media plan was not firm at press time, but spot TV is expected to figure prominently in the first campaign out of Geer, DuBois for Apple & Eve apple and apple-cranberry juices. Target audience is mothers with children present in the household. The product enjoys distribution in the East—from Maine to Florida—and West as far as Chicago. It's found in the dairy sections of supermarkets, in both traditional glass bottles and in paper cartons.

served starting in late September in a widespread selection of midwestern and western television markets. Duration of exposure varies from two to six months, depending on market. A full range of dayparts will be used to attract women 25-plus.

**Household Finance Corp., TV**  
(*Saffer, Cravit & Freedman Advertising, Don Mills, Ontario*)  
T.G. & Y. STORES are continuing their short one-week flights through September, October and November in a widely scattered selection of southern, midwestern and Texas television markets. Target audience varies according to featured retail items.

**International Telephone & Telegraph Corp., TV**  
(*Vitt Media International, New York*)  
TWINKIES and OTHER ITT CONTINENTAL BAKED ITEMS are making two to four week appearances during September in a long and nationwide spread of television markets. Janice Finkel is among buyers who lined up fringe and daytime exposure to reach women and children.

**Kimberly-Clark Corp., TV**  
(*Ogilvy & Mather, New York*)  
BABY CARE and FEMININE CARE PRODUCTS are being recommended during third quarter for 13 weeks in a great many markets across the country. Media team arranged for fringe and daytime spot to attract young women.

**Procter & Gamble, TV**  
(*Cunningham & Walsh, New York*)  
FOLGER COFFEES are being served during third and fourth quarters in a great many television markets across the nation. Media is working with daytime, fringe and primetime placement to reach women.

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## Appointments

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### Agencies



**Robert W. Hinson**, executive vice president and director of media services, has been appointed to the additional post of chairman of the Management Committee at Rosenfeld, Sirowitz & Lawson, Inc.



**Charles C. Miller** has joined the Atlanta office of McCann-Erickson as vice president, media director. He moves in from Campbell Soup Co., where he had been manager of advertising services. Before that he had been an associate media director with Tracy-Locke in Dallas.

**Thomas J. McGoldrick** has been named to the new post of director of co-op advertising at Sawdon & Bess. He comes from 13 years with the Television Bureau of Advertising, where he had been vice president in charge of retail sales.

**Hadassa Gerber** has been elected a senior vice president of the New York agency of McCann-Erickson Worldwide. She joined the agency in January as director of new media technologies. Previously she had been a vice president and assistant media director at BBDO.

**Irene P. Makiaris** has been promoted to the new post of director of consumer media at Mintz & Hoke Inc., Avon, Conn. She was the first buyer to join the agency 10 years ago and now steps up from associate media director.

**Michael A. Haggerty** has joined Foote, Cone & Belding/New York as an as-

# One Seller's Opinion

## Industry's growing professionalism

In the 17 years that I've been part of the 20 year history of ABC-TV Spot Sales I've seen a lot happen. Much of what it adds up to is that buyers today are buying better and that television salespeople have had to become more professional to keep pace with the buyers.

When I joined this company in San Francisco back in 1964, the ratings books we used were pretty thin. That was because they did not report all the demographic breaks they do today; only households. There were also no post-buy analyses. Agency buyers then based their buys on a lot of judgment, but most members of top agency management didn't recognize how important those buyers were. It was the early buying services that made agency presidents sit up and realize what their buyers were doing for their clients, and the kinds of budgets they were responsible for.

At the time, in the early '60s, ABC-TV was then the poor third TV network. Today NBC thinks a 24 share is pretty terrible. In those days we counted ourselves lucky when ABC could show a 15 or 16 share. We were programming only a few hours a day and giving the stations back a lot of time.

With the numbers we had, we had to be somewhat creative in our sales approach. On the other hand, the buyers and their clients couldn't check on how well their buys were performing. There were no post-buy analyses and no information on specific demographics even if there had been. That's another thing the media services brought with them—along with the recognition that the agencies' media negotiators had earned. Before buying services there was a high rate of turnover among agency buyers. Once they had learned the business it was pretty easy for them to get a better paying job on the sales side.

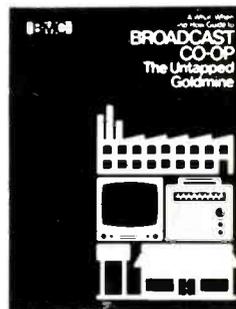
But buyers today perform much better than they did then. Today they have more and better tools to help them buy more efficiently, and those same tools can be used to prove just how well their buys succeed in meeting their pre-set objectives. And today's buyers are also restricted by tighter budget limitations. They have to be better at what they do, and they are.

On our side of the desk, television in those early days was a booming growth industry, all the big advertisers wanted a piece, and television's salespeople didn't have to be as sharp as they have to be now. But today, television is beyond that fast growth stage and has turned into a highly competitive business. Those of us in sales must be much better trained in order to meet the demands of the higher (and today measurable) goals that buyers set for themselves.

Another reason both buyer and seller must operate more effectively today is the growing blocks of television time being used by local advertisers. Ten years ago, perhaps 60 per cent of a television station's business in a major market was provided by national advertisers. Today it's under 50 per cent and will probably continue to drop as still more retail advertisers discover for themselves how efficiently television works for them. So those of us working for the national advertiser on both the buying and selling sides will have to keep operating at ever higher levels of professionalism to help the national advertiser compete for increasingly limited amounts of television time.

Here's one example of salespeople operating more professionally, moving beyond mere response to agency requests. One automotive advertiser recently planned to bypass Los Angeles, one of the best automotive markets in the whole country, because he considered television in Los Angeles "too expensive." But he was buying all primetime in 15 other spot markets. We asked him why, and he said primetime gave him more reach. Our response was to ask if he'd include Los Angeles if we showed him how to get even more reach in his other spot markets for less money. He agreed. The solution was to substitute half-pages for his full-page newspaper ads and to use some of his primetime TV dollars to road-block the late evening news on all affiliates in the other 15 markets. That saved him enough to include Los Angeles.—**Walter K. Flynn**, vice president and general manager, ABC-TV Spot Sales

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sociate media director and **William Canon** has been promoted to media planner. He advances from assistant planner. Haggerty had been an associate media director with Wells, Rich, Greene.

**Elizabeth Tully** has been elected a vice president at Grey Advertising, New York. She joined Grey in 1976 and is currently an assistant media director.



**Jeanette Jummati** and **Donna Schauer** have been promoted to media planners at D'Arcy-MacManus & Masius/Chicago. They are replaced as assistant planners by **Nina Giroux** and **Lynn Myers** who step up from estimators.

#### Media Services

**Adrienne Alm**, director of spot broadcast buying for CPM, Inc. in Chicago, has switched over to the service's Client Services Division as account manager. She joined CPM in 1979 from Grey-North where she had been a broadcast buying supervisor.

#### Representatives



**Scott T. Meier** and **Margie Kane** have been promoted by Blair Radio. Kane steps up from account executive to manager of the rep's Philadelphia office. Meier, manager of the Minneapolis office, becomes vice president. He joined Blair last year from a post as local sales manager of KSTP-FM St. Paul. Kane joined the company as a sales assistant in 1976.

**Mark Shottland** has been named a divisional vice president of Katz American Television and **Jon Johannan** was promoted to director of marketing services with Katz' Research-PROBE-

### Petry to Rep Post-Newsweek

Petry TV has been chosen as exclusive national sales rep of the four Post-Newsweek TV stations, and will acquire the business and assets of Top Market TV. The stations affected are WDIV(TV) Detroit; WFSB(TV) Hartford; WJXT(TV) Jacksonville and WPLG(TV) Miami.

Marketing Division. **Shottland** joined Katz TV as an account exec in 1974 and is manager of American's Red Sales Team in New York. **Johannan** came to Katz in 1970 and now moves up from manager of TV station services.

**Peter Weisbard** has been promoted to vice president/national sales manager of Group W Television Sales. He is succeeded as vice president/New York sales manager by **Edward Goldman**, who moves up from group sales manager.

**Alan Elkin** and **Ron Cochran** have been appointed divisional vice presidents of Independent TV Sales. Cochran came to Katz in 1979 as national sales manager of American TV's Red Team and is now national sales manager, operations for ITVS. Elkin, who had been national sales manager for Field Communications, is national sales manager, special marketing at ITVS.

**Dave Tolbert** has been named Dallas sales manager and **Jack Lenz** joins H-R Stone as Atlanta/Southeast sales manager. Lenz has been general sales manager for WSB AM-FM Atlanta. Tolbert advances from account executive with the Dallas office.

**Ruth Webb** has been named an account executive for the Atlanta office of Avery-Knodel Television. She moves in from a similar post with Seltel, moving in from the staff of the Meeker Company when Seltel was formed.

**Robin Koocher** and **Ioanna Coundouris** have been named account executives at Petry Television. Coundouris had been an account exec with Peters Griffin Woodward, and Koocher joined Petry last year as a sales trainee. Both

are assigned to Petry's Eagles sales team.

**John Dowd** has joined Harrington, Righter & Parsons as an account executive on the rep's Gold Team in Chicago. He had been with Peters Griffin Woodward.

**J. Richard Bailey** has joined the sales staff of Independent TV Sales in Chicago. He had been an account exec with WDCA-TV Washington and at ITVS will sell for the Sabers Team headed by **Helene Hollander**.

**Lyle Banks** has been appointed an account executive with Blair Television's NBC sales team in Chicago. He moves in from the Chicago office of Peters Griffin Woodward.

**Fritz Mills** is now selling for Katz American Television in Chicago. He comes aboard from TeleRep and will be working for American's Red Team.

**Ronald Strauss** has been appointed Northeast account executive for Metro TV Sales. Before joining MTVS five years ago he had been with Adam Young.

**Kathleen Keefe** and **Rob Wagley** have joined MMT Sales, Inc. as account executives. Keefe will work for Team A-II in New York and Wagley is selling out of Atlanta.

#### Stations

**Warren Maurer** has been named vice president, Group W's AM Radio Group. He succeeds **S. William Scott**, now president and chief operating officer of The Satellite NewsChannels, new joint cable news venture of ABC

### Direct response

The Richards Group of Dallas is testing direct-response television for *Redbook* magazine in eight medium-sized markets. The minute spots, first appearing the week of August 17, are scheduled to run for four weeks to appeal to young women 18 to 34. One spot plays up price and the other keys in on lifestyle. The subscription promotion is backed by half-page ads in *TV Guide*.

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# Media Professionals

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**Charles J. Trubia**  
*Senior vice president,  
Director, Radio/TV  
Ted Bates & Co.*

"When we acquired the Adolph Coors Company business in March 1979, many problems faced us, not the least being the fact that the large national brewers had established exclusive positions in most of the major network television sports franchises. To combat this, we devised a three stage strategy: 1. Combine complementary regional beers to form a nationwide entity, then attempt to secure network sports franchises for it. 2. Use this same combine to sequester heavy sponsorships in top syndicated sports vehicles. And 3., develop a syndicated sports show specifically for Coors, to be distributed solely in our regional area.

"As it turned out, we were able to execute our plans well within the projected two-year buildup timetable. First, Coors combined with Stroh's and Schaefer to secure substantial levels on CBS and NBC NFL Football coverage. With one major exception, each beer's distribution area is outside those of the other two. St. Louis is the only major market where both Coors and Stroh's are sold. We followed this up with an annual position on ABC's *Wide World of Sports*. For our second stage we worked with Pro Sports Entertainment, the largest syndicator of NFL Films properties, to create an exclusive position on all their series and specials for each of the regional beers within its own distribution area. The final step was creation of *The Coors Western Outdoorsman*, our own weekend afternoon syndicated series, which focuses on outdoor pursuits solely within the Coors region. This show was so successful in its initial year that we have extended our production plans into 1982.

"For the future, we intend to build on this strategy. We continue to pursue major network sports properties for Coors and for our regional partners. Additionally, we feel that our charter position with Pro Sports Entertainment enables us to continue to pursue their coveted NFL Films features. For the third stage, our efforts in program development are ongoing. That's because, for the highly competitive beer category, exclusive sports program sponsorship is a highly recognized element."

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Video Enterprises and Group W Satellite Communications. Temporarily replacing Maurer as general manager of KYW Philadelphia is **Roy Shapiro**, vice president of marketing and research for the Westinghouse Radio Group.

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**Richard Ramirez** has been named Western sales manager of the RKO Radio Networks—RKO One, RKO Two and RKO Radioshows. Ramirez moves in from a post as national sales manager for KHOU-TV Houston. Before that he had been general sales manager of RKO's WRKO (AM) Boston.

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**Raymond Coleman** has been appointed general manager of WAOK-AM Atlanta. He had held the general manager's post with WUFO-AM Buffalo.

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**John J. Spinola** is the new vice president and general manager of Group W's WPCQ-TV Charlotte, N.C. He transfers from the station manager's slot at WBZ-TV Boston.

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**Mike Elliott** has been named vice president and general manager of WAWA and WLUM Milwaukee. He returns to Milwaukee from Houston where he

has been sports and operations director of KENR.

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**William L. Adams** has been appointed general manager of KSTT Davenport, Ia. and WXLP Moline, Ill. He joined the Guy Gannett stations in 1969 in the news department and now steps up from sales manager.

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**David Graves** is now vice president and general manager of WIND Chicago. He transfers from the post of vice president of programming and promotion for the Group W Radio Group.

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**Mitch Lambert** has been promoted to general sales manager at WFRV-TV Green Bay and WJMN-TV Escanaba. He joined the stations in 1977 as an account exec and now moves up from national sales manager.

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**William R. Phippen** has joined WSB AM-FM Atlanta as general sales manager. He comes from a post as station manager for WRC Radio in Washington, D.C. and before that was general manager of KOPA AM-FM Phoenix.

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**F. Lewis Robertson** has taken over as general sales manager at WTVC-TV

Chattanooga, Tenn. He moves in from Charlotte, N.C. where he has been general sales manager for Jefferson Productions.

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**Joseph T. Conway**, executive vice president of Appalachian Broadcasting Corp., has taken over the duties of general manager of WCYB-TV Bristol, Va. from **Robert H. Smith**, who will now devote full time to his responsibilities as president and chief executive officer of Appalachian.



**Bernhard B. Kvale** has been appointed vice president and general manager of WLW Radio Cincinnati. He advances from acting general manager and has been general sales manager for the station for the past eight years.

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**Robert E. Kelly** has assumed the post of general manager of KCPQ (TV) Ta-

coma-Seattle. Kelly is resident partner of parent company Kelly Television Company.

**John Marin** has been named general manager of KMPX (FM) San Francisco. Marin moves in from KRE and KBLX in Berkeley, Calif. where he had also been general manager.



**John Watkins** has been named general sales manager of WABC-TV New York. He joined ABC in 1972 and now moves to New York from three years as sales manager in the Los Angeles office of ABC-TV Spot Sales.

**Jack Porray** is now station manager at KTVN (TV) Reno, Nev. He has been general manager for the station since he moved in from a similar post with KGNS-TV Laredo, Texas in 1977.

**Lyn Stoyer** has been tapped as station manager of WIVB-TV Buffalo. He had been executive vice president and general manager of KTIV-TV Sioux City, Iowa.

## Educational

The half-million dollar Funk & Wagnalls promotion for *Charlie Brown's 'Cyclopedia* includes two weeks of spot television appearing in late August or early September in major markets on both coasts. Advertising for the 15 volume children's book series was placed by Colarossi/Griswold-Eshleman. TV kicked off August 24 in Los Angeles, San Diego, Las Vegas, Phoenix and in Tucson, and on August 30 in New York, New Jersey and Connecticut. Target is the young parent audience.

Over 2,000 supermarket outlets are involved via participation of 31 major food chains. Series, illustrated by *Peanuts* creator Charles Schultz, is designed to give pre-schoolers and elementary school kids "hard information about the world they live in," on such topics as astronomy, biology, weather, transportation, customs of the various nations, etc. Promotion follows "spectacularly successful" test marketing.

**Alan Berrier** has joined WMAR-FM Baltimore as station manager in charge of operations. He comes to the Abell Communications station from WCAO where he has been the news director and an on-air personality.

**Phil Zachary** has been named director of operations for the Insilco Broadcast Group of Louisiana and will continue as program director of Broad Street Communication's WQUE (FM) New Orleans.

**John T. Timm** has been appointed station manager of WEZQ (FM) Milwaukee, succeeding **Paul Fiddick**, who advances to senior vice president of the station's parent company, Multimedia Radio. Timm steps up from sales manager for the station.

## Buyer's Checklist

### New Representatives

**Blair Radio** has been chosen as national sales representative for WKNY Kingston, N.Y. The station was recently purchased by Sawmill Broadcasters and programs adult contemporary music featuring popular oldies.

**Blair Television** is the new rep for San Francisco's new KTZO (TV), for KRCR-TV Chico-Redding, Calif., for KOTI Klamath Falls, Ore., and for KOAM-TV Pittsburg, Kan.-Joplin, Mo. KOAM-TV is an NBC affiliate; KTZO is an independent, and KRCR-TV is an ABC affiliate. KOTI carries programs from both ABC and CBS.

**Buckley Radio Sales** has assumed national representation of KGFX-AM Pierre and KKLS and KKHJ, both in Rapid City and all in South Dakota. KKHJ offers beautiful music, KKLS airs a contemporary format and KGFX programs a modern country sound.

**CBS Radio Spot Sales** is now representing KTAR and KBBC (FM) in Phoenix. KTAR airs all news and KBBC features a contemporary mellow rock format. Owner is Pulitzer Publishing Co. of St. Louis.

**Bernard Howard & Company** has taken over exclusive national representation of KWRM and KQLH (FM) in San Bernardino, Calif. KQLH (FM) programs a mellow adult contemporary sound while KWRM features bright contemporary MOR music. Both

provide heavy sports coverage.

**H-R/Stone, Inc.** has been named to sell nationally for KLIK and KJFF (FM) Jefferson City, Mo. and for WMYB and WJYR (FM) Myrtle Beach, S.C. WJYR airs contemporary music, and WMYB offers an MOR format. KLIK plays adult contemporary numbers and KJFF features beautiful music.

**Katz Radio** is now representing WDAY AM-FM Fargo, N.D. WDAY-FM is a Mutual Broadcasting affiliate offering Bonneville beautiful music. WDAY-AM airs an MOR format and carries programming provided by both NBC and Mutual.

**Katz Television Continental** has been tapped to represent KQTV (TV) St. Joseph, Mo. and KID-TV Idaho Falls-Pocatello. KID-TV is a CBS affiliate and KQTV flies the ABC banner.

**Major Market Radio Sales** has been appointed national sales rep for WYSL and WPHD (FM) Buffalo, N.Y. WYSL programs an MOR sound and WPHD is an AOR station. Licensee of the pair is Howard Communications, Inc.

**The Roberts Associates** is now selling nationally for WAGE Leesburg, Va. The station offers both adult contemporary and country.

## Marschalk growing

Donna Qabbani has been promoted to media supervisor and Majory Frummer to media planner at The Marschalk Company. New faces in the agency's fast growing media operation include Sondra Allen, moving in from Benton & Bowles as a network supervisor, Cary Miller, a new media supervisor from Grey Advertising, and John Brancaccio who comes in from Foote, Cone & Belding as agency-of-record supervisor.

Also added to the media staff are buyers Teri Guarasci from LaMarca and Jocelyn Grunner from Sawdon & Bess, planners Steve De Martino from Ketchum/New York and Bob Frisch, in from Ross Roy/Compton, and Anne Hoch who comes in from Ted Bates as budget coordinator.

Earlier this year Marschalk was named agency-of-record for all network buying for Norcliff-Thayer, and in June the agency took over more brands from Coca-Cola Foods—Hi-C fruit drinks and two coffees, Butter Nut and Maryland Club.

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'Superstations' see thorns despite Malrite Decision 6

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Franchise renewal fever industry's growing malady 11

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Future of pay-per-view still clouded 13

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September 7, 1981

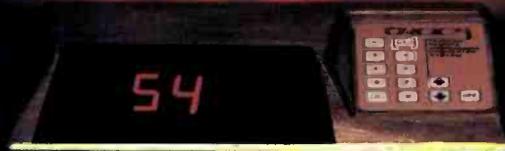
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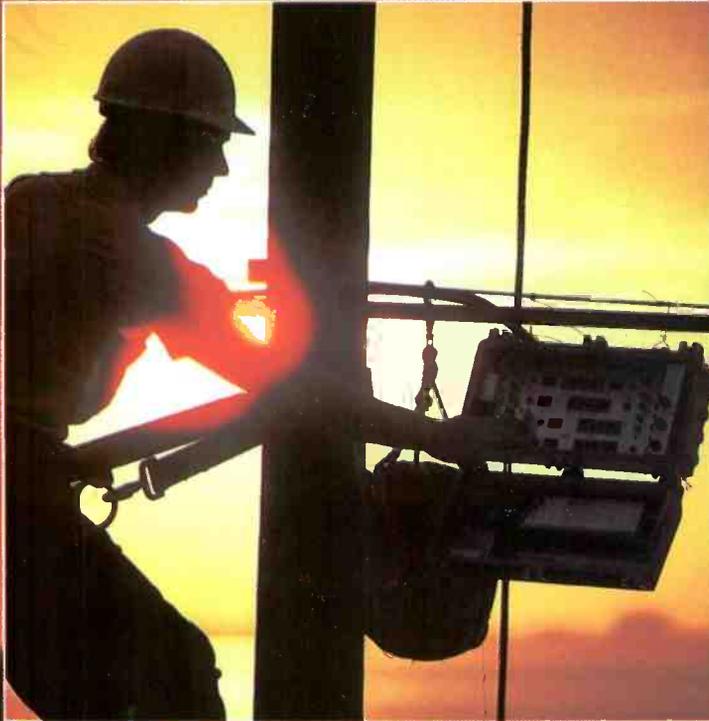
Radio



Television



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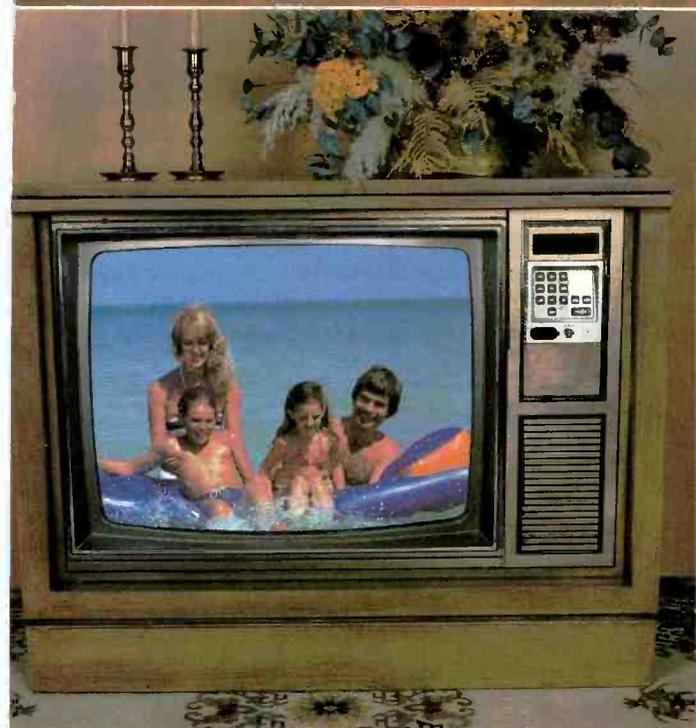


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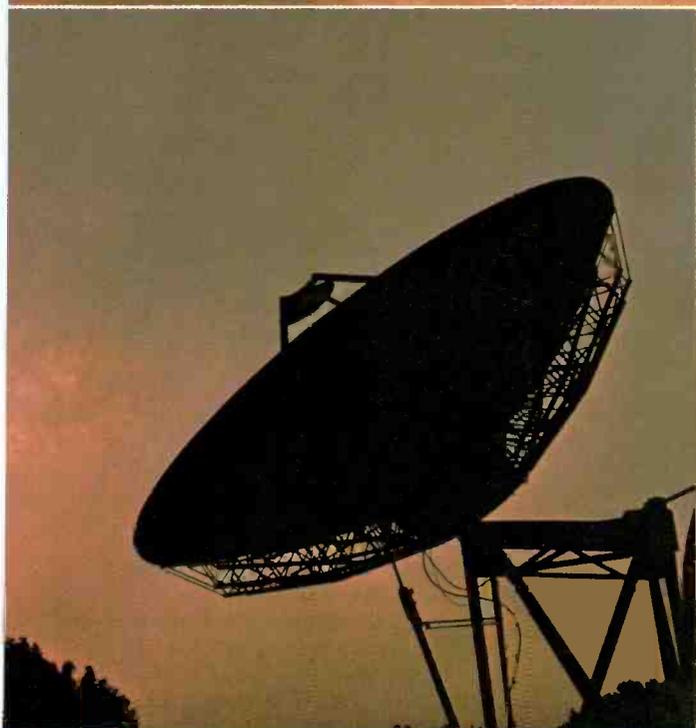
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# CableAge

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# The issue in focus

## Superstation upsurge

The recent Malrite Decision has brought a large number of new system sign-ups to the common carriers selling superstations. But a couple "passive" superstations are worried their enhanced status could be more trouble than it's worth—in terms of higher prices for syndicated product and problems with sports franchises. (Page 6)

## Franchise renewal fever

Time is running out for a number of systems that will have to face the prospect of ensuring renewal of their franchise. For some, the process could turn out to be even more complicated than the original franchise negotiations. (Page 11)

## Pay-per-view a contender

The Leonard-Hearns fight and disposable notch filters may only be the beginning of a movement toward running special events on a pay-per-view basis. Some even see the possibility of a full-time pay-per-view service. Others see problems with technology, talent fees and public acceptance. (Page 13)

## Banking at home

Banks are beginning to look at home banking via cable as a means of reducing cost of doing retail business. And some cable systems see it as a means of enhancing an interactive tier of services. (Page 17)

## Network ad sales

Advertiser-supported cable networks are moving into a new stage in the way they pitch national advertisers. Where they previously had to concentrate on selling the medium, most of that groundwork is behind them, and they're now focusing on the advantages of their particular networks—and using more research to back up their arguments. (Page 24)

**Comcast Corp.** has passed the \$100 million mark in assets, almost triple the amount just 12 months ago. (*Corporate Profile*, page 28)

**Ted Turner's bombshell** regarding his promise of a second Cable News Network to compete with that planned by Group W and ABC is being met with mixed reactions in the industry. (Page 29)

**Competition Italian-style** may make for another cable network shoot-out. "Mama RAI," the biggest force in Italian television, is considering a U.S. cable network that would compete with Studio I. (Page 29)

**HBO steps aside** at CableScope,

Buffalo, where The Movie Channel gets major billing as a result of a subscriber survey. (Page 30)

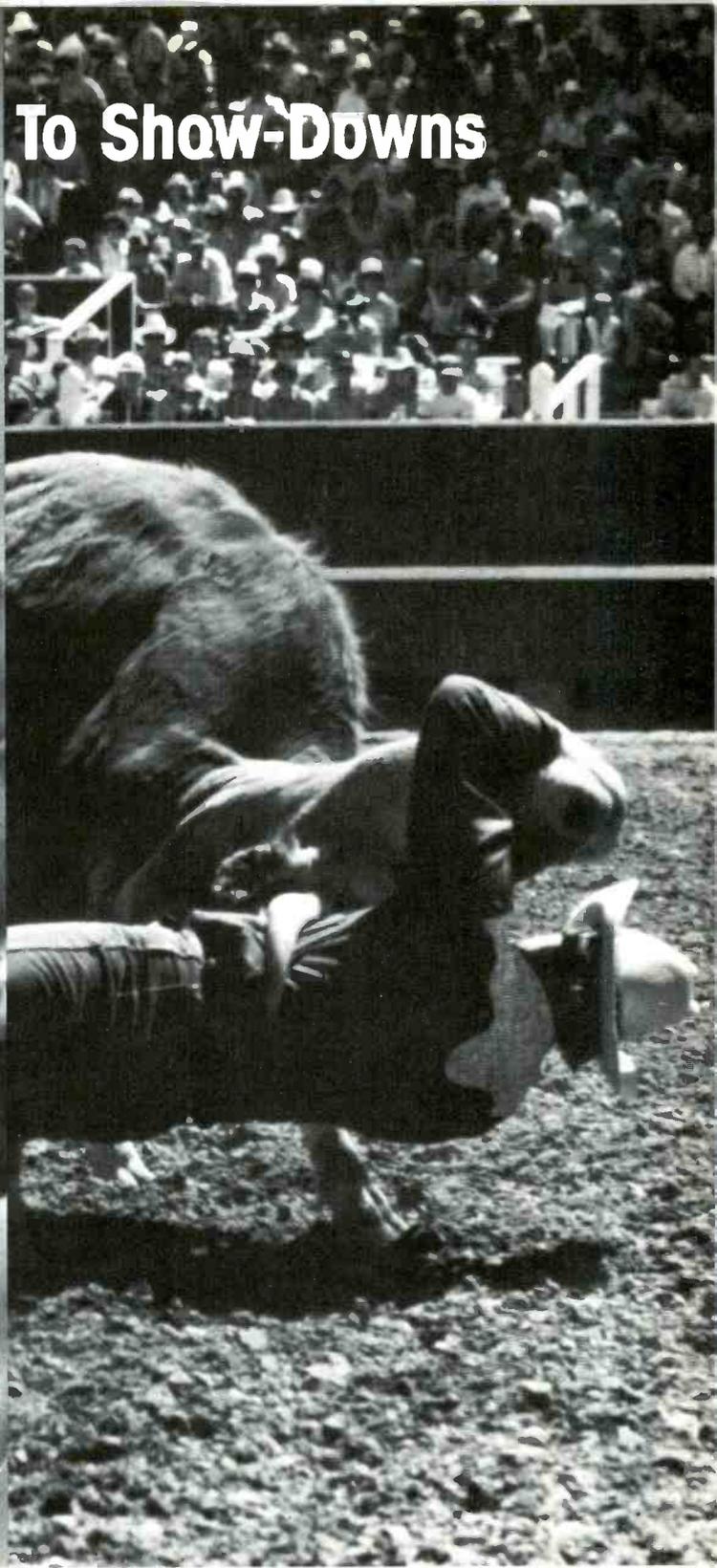
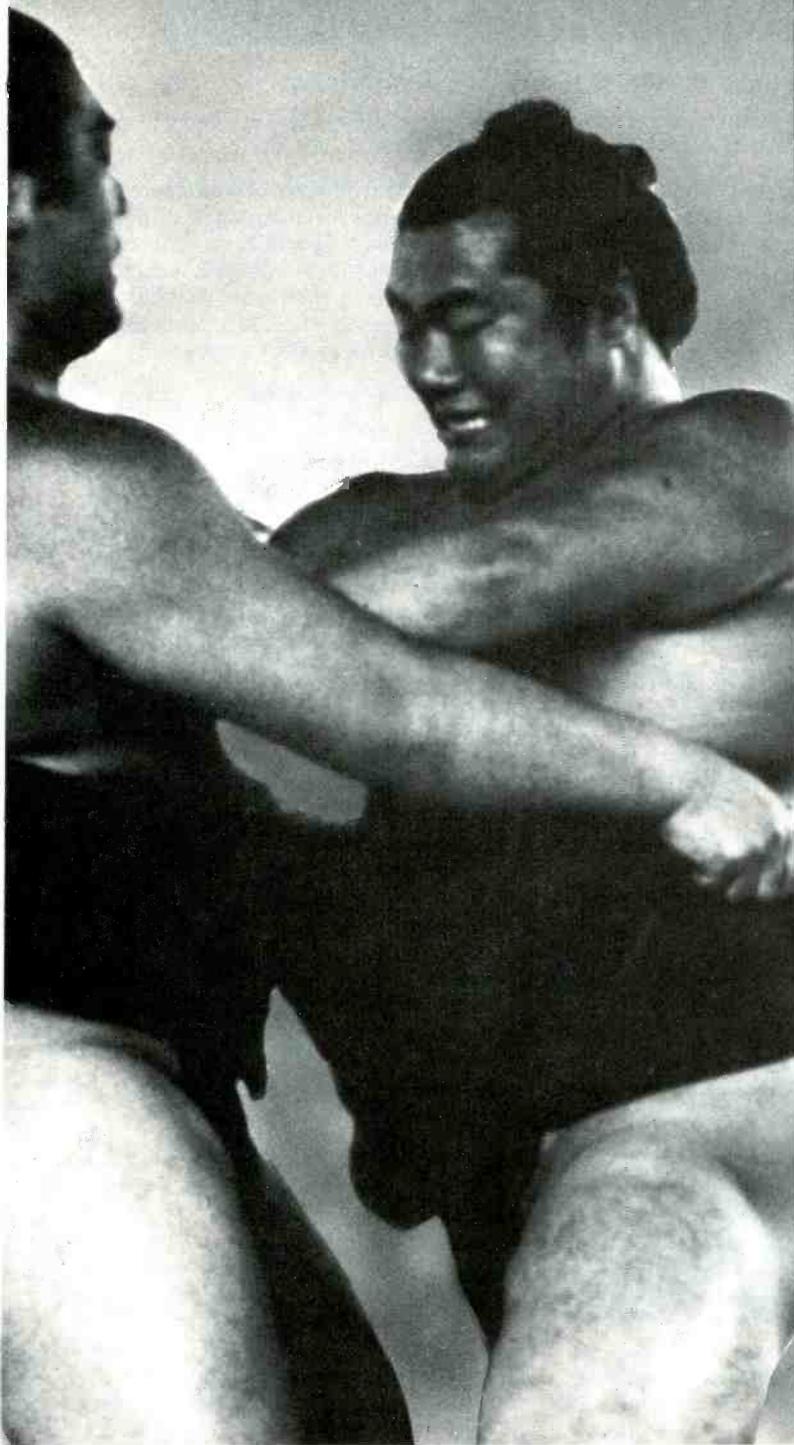
**Addressability** has given a big boost to tiering revenue at three cable systems, which tell how it was done. (Page 33)

**Advertising guidance** that Entertainment and Sports Programming Network will be giving its affiliates may cost it some per-inquiry revenue, but the network is looking at the long-term picture. (Page 34)

**Cable penetration** was up to 27.3 per cent in July, according to A. C. Nielsen. Top 50 markets by percentage of cable penetration and by total cable homes are listed. (Page 35)

**CABLE AGE is distributed to executives in the cable television industry as a separate publication. In addition, subscribers to its sister publication, TELEVISION / RADIO AGE, are temporarily receiving copies of CABLE AGE bound into TELEVISION / RADIO AGE.**

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## 'Superstations' see thorns despite Malrite Decision

No major change in two stations' passive stance

BY ELLA PESIN

Aside from the rapid sign-up of cable systems for "superstations" since the Malrite Decision, the excitement is largely confined to the common carriers. If the decision holds up, stations like WGN-TV Chicago and WOR-TV New York, as passive superstations, anticipate at least as much headache as benefit. A particular problem may be in coping with sports franchise restrictions. And some in the industry feel the decision will not lead to additional superstations because there is a limit to the royalties cable operators will want to pay. Of the three stations generally called superstations, only WTBS Atlanta is accepting the title willingly and making hay out of the recent decision by the U.S. Court of Appeals upholding the Federal Communications Commission's repeal of distant signal importation and syndicated exclusivity restrictions. But so is its common carrier, Satellite Syndicated Systems and those of WOR-TV—Eastern Microwave—and WGN-TV—United Video.

While most executives at the superstations believe that increases in sub-

independent stations who compete with superstations for their share of a market's TV viewing audience. There is a suit pending in a Syracuse court between Eastern Microwave and Double-day, owner of the New York Mets, which addresses this very issue.

### Passive superstations

Considering some of the repercussions which the Malrite Decision has already generated, is it any wonder that executives at WOR-TV and WGN-TV call themselves passive, or reluctant, superstations whose major interest is in programming for, and selling advertising within, their local market?

As mentioned, unlike the superstations themselves, the common carriers have seen immediate benefits from the lifting of distribution and syndication exclusivity restrictions. Under the Malrite Decision, common carriers are permitted to distribute their superstation's signal (via satellite or microwave relay) to an unlimited number of markets. Prior to the decision, there were restrictions on the number of signals from distant



**Local show** with national exposure is possible on superstations. WTBS' hour-long weekend, "Tush" is zany mix of satire and music.

scribership will lead to greater ad revenue, they do not foresee this happening overnight. Furthermore, many anticipate that program syndicators and sports franchises will try to increase their asking price for the purchase of rights. At present, syndicated programs and sporting events are being broadcast nationally via the superstations' common carriers for the cost of local rights. As might be expected, there are charges of copyright infringement being levied by syndicators, sports franchises, and local

stations a system could carry, based on the size of a particular market. In the top 50 markets, to import three independent stations; in the second 50 markets, two, and in markets smaller than that, a system could bring in one distant independent.

The lifting of these distribution restrictions has, naturally, led to an increase in subscribership which, in turn, means added revenue for the common carrier from cable systems. The common carriers at all three superstations charge systems operators a monthly fee of 10 cents per subscriber household.

According to Mary Cotter, national marketing director at Eastern Microwave, WOR-TV added approximately

125,000 subscribers during the first three days after the rules were lifted. Since then, it has added at least a couple of hundred thousand more. "Before the FCC decision," says Cotter, "we were adding approximately 70,000 subscribers per month. We now project that we'll be adding over 100,000 per month." In April of 1980, one year after Eastern Microwave began distribution of WOR-TV's signal, the superstation was in about 400 systems and had approximately 2,650,000 subscribers. Today, a little more than one year later, WOR-TV reaches approximately 4 million subscribers in 859 systems (satellite and microwave transmission combined).

Says Cotter, "WOR was the third superstation on the satellite, which meant that the smaller systems, who were restricted to carriage of only one or two independent signals, couldn't carry us at all, prior to the Malrite Decision. For this reason, we expect WOR to benefit more than the other superstations from the decision."

### Growth is tripled

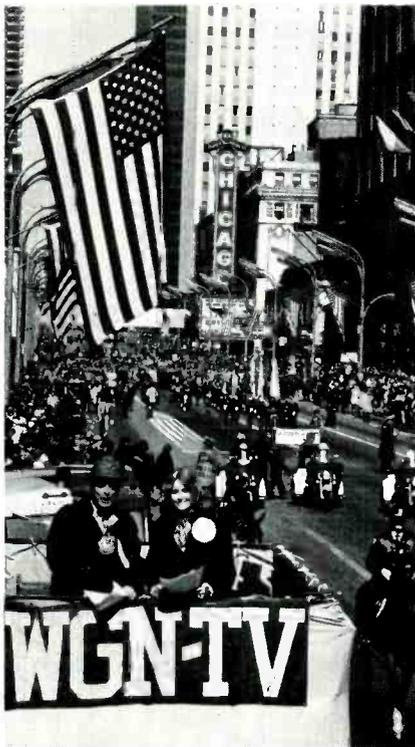
Robert Price, vice president of marketing, United Video, also reveals figures which show a tremendous growth in subscribership since the Malrite Decision. During the month of July, according to Price, WGN-TV added 320,367 subscribers. This is three times the number of subscribers it was adding in an ordinary month prior to the Malrite Decision. WGN-TV has been up on satellite about two-and-a-half years, since November of 1978. "Over the last year," says Price, "we have added an average of 125,000 subscribers per month. I initially forecast that, over the first quarter, we would add 600,000 subscribers more than had deregulation not occurred. I'll be pretty close to being on track with that estimate, if we get roughly another 200,000 subs in the next month." Estimates are that, as of the end of July, WGN-TV was in approximately 1,790 cable systems, with 6,271,165 subscribing households (satellite and microwave transmission combined).

Executives at the common carriers agree that much of the growth in subscribership which will result from the Malrite Decision will be delayed a bit. As Price explains it, "A lot of systems do not as yet have the channel capacity and the appropriate equipment to pick up the superstations' signals. They are currently in the process of rebuilding and expanding, and that takes some time."

According to Don Anderson, vice president of cable relations at WTBS, (the first superstation which went upon satellite in 1976) only about one-third of the total number of cable households in the country are served by cable systems

providing more than 12 channels of service. "Cable systems of 2,500 subscribers or less," he adds, "probably account for two-thirds or more of all cable systems in the country."

Don Lachowski, vice president of sales for Turner Broadcasting Systems (WTBS and Cable News Network), reveals that, over the next 90 days, the Atlanta superstation anticipates adding 2 million more subscriber households than it would have added without the Malrite Decision. "With our present subscriber base of 16 million households, that's about a 12.5 per cent increase in the number of households over what we



*Chicago's St. Patrick's Day parade is relayed from WGN-TV to 1,790 cable systems, courtesy of United Video.*

would have had between now and year end without deregulation," he adds.

"Furthermore," says Lachowski, "with the end of syndication exclusivity and the blacking out of programming, we estimate a 6-10 per cent increase in household viewing levels. This could actually double our viewership in certain markets. If we have a 12 per cent increase in the number of subscriber households and a 6 per cent increase in viewing hours, you're looking at an increase of approximately 20 per cent in actual viewing audience levels."

Syndication exclusivity meant that local television stations which bought exclusive rights to certain programs could demand that cable systems in their market delete or black out these programs to avoid their being telecast via

the superstations. Under the Malrite Decision, it is no longer required that cable systems black out any programming other than sports programming and, then, only under very specific conditions.

Although large increases in a superstation's national subscriber base is expected to make it more attractive to national advertisers, according to various superstation executives, increased advertising revenue will not be immediately forthcoming. As Sheldon Cooper, president of WGN-TV, points out, "Ratings services are not yet sophisticated enough to accurately measure the size of a cable viewing audience and, subsequently, advertisers are reluctant to commit themselves to making major purchases of cable time. At present, "WTBS is the only superstation claiming success at selling national advertising. It is also the only superstation, and one of the few cable stations in the country, which has its ratings done by a national ratings service, Nielsen's NTI, which also does the ratings for the broadcast networks. Once the ratings services are able to give ad agencies information they can use in making cable buys, we will probably stand to benefit from being beamed nationally."

According to Cooper, national advertising is very important to the Atlanta superstation and for very good reason. Says he, "Ted Turner is in a town much smaller than Chicago or New York, so his local advertising base is not that large. Like WOR, we at WGN have a very large local base, and that's what we mainly sell."

A spokesperson for WOR-TV says that the New York station has always enjoyed a high level of sponsorship, "not only because they are in the highly lucrative New York market, but also because they broadcast so many sporting events, and the male demographics are so good." While WOR-TV does attract many national advertisers for these events, most of them are local buys with local tags.

Because it does a good deal of national advertising, WTBS, unlike WOR-TV and WGN-TV, has two separate rate cards, one for local and one for national advertisers. Also unlike the other two superstations, WTBS can black out local ads to prevent them from receiving national exposure. Public service announcements are usually substituted in this blacked-out time period.

### Rate increase

With the 20 per cent increase in audience viewing levels predicted for WTBS over the next year, the station's unit rates for national advertising will also be increased approximately 20 per cent, according to Lachowski. He cautions that this does not necessarily mean that

WTBS will see a 20 per cent increase in overall ad revenue. Says he, "In 1981 we will be able to use less inventory to reach our delivery goals. If, previously, it took 12 spots to reach 5 million households, with a 20 per cent increase in our viewing level, we can reach the same number of households with 10 spots. You can price those 10 spots out at what you formerly priced the 12 out at, which leaves you two additional spots to sell." "Nevertheless," Lachowski adds, "there's a time lag on this. You don't get a larger audience on Monday and get paid for it on Tuesday. At this point, we expect to take in about \$55 million in ad revenue during the current calendar year."

Projecting to the end of 1982, Lachowski quotes WTBS research department estimates which show that, by then, the station will be available in 27 million homes. By 1985, it expects to be in virtually every cable home in the country. "We believe this is highly probable," says Lachowski, "because, with so many 12 channel systems re-wiring or converting to 30-plus channels, they're going to want programming to fill up those channels."

#### Alternative advantage

Why would a cable system be interested in offering channel space to one of the superstations as opposed to some other program service? According to Price at United Video, the superstations are important because they offer an alternative to narrowcasting. "There are a lot of systems out there that need a broadcast service or a varied family kind of service like ours," says Price. "I think that, if our service can enjoy the great reputation it does in a city as sophisticated as Chicago, then there's no reason it shouldn't have a tremendous national appeal. As the operator's channel capacity becomes greater," he adds, "they still need to fill up those channels with quality programming. I don't think you can fill a 36 or 50 channel system with quality programming without using the superstations. There just isn't that much quality programming available."

Do the three superstations plan to produce more original or more nationally-oriented programming in response to the increased national distribution of their signal? Speaking for the Atlanta superstation, Sid Pike, station manager and vice president of programming, revealed that a number of original programs are currently in production and that WTBS is also spending a large sum of money on expanding its production facilities.

According to WOR-TV's spokesperson, the New York station is not planning any real programming changes other than the production of several documentary specials which will be tel-



**WOR-TV's "Straight Talk" interviews local people with national impact, such as Mayors Ed Koch of New York and Shlomo Lahat of Tel Aviv.**

evised on the superstation and released for syndication: "The Malrite Decision will be especially good for our station, because we have more original programming than the other two superstations. Turner has eight hours of reruns per day, WGN has five-and-a-half hours, and we have only one-and-a-half hours. WTBS and WGN have about seven-and-a-half hours that are similar, and we have only one half-hour of programming that's the same as WTBS. As for sports and movies, perhaps the two most important components of a superstation's pitch, WTBS has the greatest number of movie titles—43 per week. We have 36, and WGN has 26. We have more sports in New York, because we have more teams—two hockey, two basketball, one baseball and one soccer. Atlanta only has the Braves, the Hawks and the Chiefs."

"The Malrite Decision is not affecting our programming," says WGN-TV's Cooper. "We feel that we were doing the right programming in the first place to have been an attractive station to United Video. We have always had sports and feature films, even before there was a satellite. We are programming for the city of Chicago and its surroundings, which is probably a good cross-section of anyplace in the country."

#### Programming costs

Executives at the three superstations believe that the cost of purchasing the rights to syndicated programming will probably increase as a result of the Malrite Decision. Syndicators claim that the decision will make it more difficult for them to sell to local markets and local independent stations, because there will now be a greater number of cable systems in the market carrying their programs via the superstations, and there is no more blackout rule in effect. At present, syndicated programs

can be nationally televised via a superstation, at no additional cost to the system, the station, or the common carrier. Executives at WGN-TV and WOR-TV claim that it is the common carrier, rather than the station, which should absorb any increase in the cost of purchasing syndicated programs.

#### Matter of billing

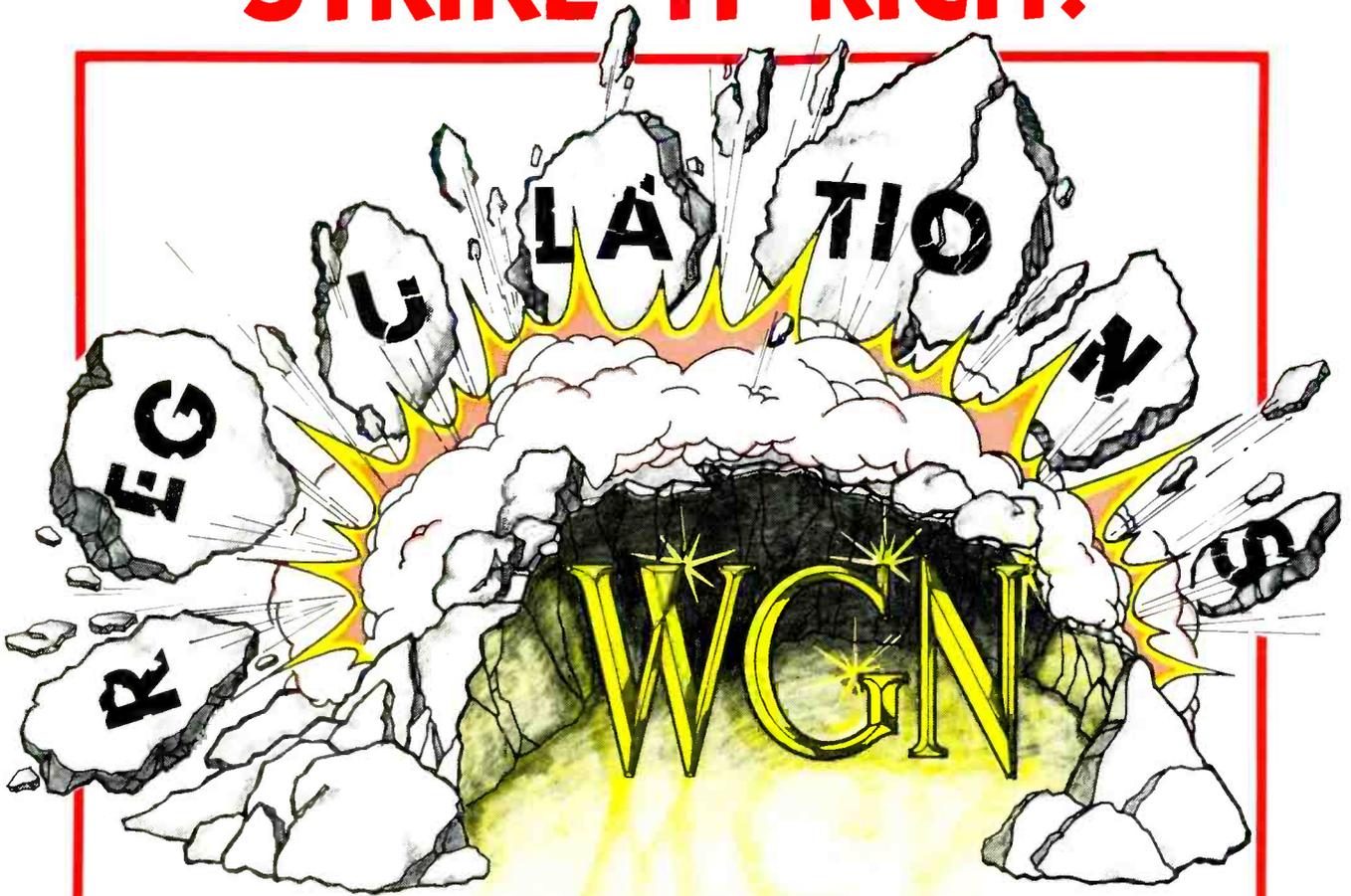
As WOR-TV president Bob Fennimore, expresses it, "There's been a great deal of publicity in the trade journals calling our station a superstation, but that's not how we bill or sell ourselves. Our position is the same as that of WGN—we're just a local station. We do not plan to seek out national advertisers or get into national programming. We just plan to continue serving the 7 million people in the tri-state area in the best way we can."

Some superstation executives believe that the Malrite Decision may also lead to problems with sports franchises. When a sports franchise or a team sells a local station the right to televise a particular sporting event, it does so with the understanding that the game will be aired solely in the station's local market. If the station purchasing the rights to a game is a superstation, its signal is transmitted nationally by a common carrier, and the game can be viewed in an unlimited number of markets, without the permission of the copyright holder and at no additional cost.

Is the common carrier infringing on the sports franchise's copyright? Should the common carrier be charged something by the sports franchise? These questions are the basis of a lawsuit pending before a court in Syracuse, New York, involving Doubleday, owner of the New York Mets, and Eastern Microwave, WOR-TV's common carrier. (WOR-TV and the New York Mets have an agreement whereby the New York station was granted exclusive broadcast rights to all Mets games).

According to Philip Hochberg, a partner in the Washington, D.C. law firm of Vorys, Sater, Seymour and Pease, specializing in the area of sports litiga-

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tion, Eastern Microwave, fearing that it would be sued for copyright infringement by Doubleday, brought the suit against the sports interest in the hope of getting a declaratory ruling relieving it of liability. Doubleday filed a counterclaim. Says Hochberg, "The bottom-line issue in this case is whether or not the Copyright of 1976 exempts the common carrier from having to obtain the permission of the copyright holder. The case will also determine whether the common carrier will have to share the cost of purchasing the copyright to a sporting event."

Asked for his reaction to the Mets claim, Arthur Perkins, general manager at Eastern Microwave replied, "We're giving them so much more exposure, they should be paying us."

Expressing a similar opinion, Price, at United Video, says, "We spoke with the sports information director at Notre Dame last year after carrying some of their games, and his indication was that they were very pleased because it increased their viewership."

Despite the common carriers' claims, says Hochberg, one of the major fears of the sports franchises and teams is that the increased televising of their games will cut into attendance at the actual sporting event.

In order to protect the teams from a complete erosion of in-stadium attendance, the FCC has maintained a sports black-out rule. According to this rule, if four specific conditions are present, a sports franchise can demand that a game be blacked out (i.e., that there be no television coverage within a 35 mile radius of the event).

If, for instance, the Boston Bruins are playing the New York Rangers in Boston, and the game is being televised on WSBK-TV Boston, the Rangers can demand that cable systems within 35 miles of New York not carry the distant telecast of that game (not import WSBK-TV) if the following conditions are met: (1) A system cannot carry a game if the game is not being televised on local TV in the principal city. If the Rangers have sold WOR-TV a telecast of a Bruins/Rangers game, the Rangers have no right to forbid cable systems in the New York area from importing the telecast from Boston. (2) A system cannot carry a game if it was not carrying a particular station's distant signal (in the above case, WSBK-TV) before 1972. (3) A system cannot carry a game if it has more than 1,000 subscribers, and (4) A system cannot carry a game if it has received notice of the game in a timely fashion.

"Sports interests' major fear concerning the Malrite Decision," says Hochberg, "is that cable system operators are going to be looking to transmit more and more sports programs. Sports is an identifiable package. Carrying a

super sports package, like the Knicks, the Islanders or the Rangers, makes a system even more marketable than if, let's say, it carries Warner Brothers' latest movie package. Let's face it, systems operators are not looking for the syndicated programs."

Compared to the New York and Chicago superstations, WTBS anticipates fewer problems with sports franchises. Ted Turner owns the three teams regularly televised by his Atlanta station—the Braves, the Hawks and the Chiefs. "The only sporting event for which we have to renegotiate rights on an annual basis," says Don Andersen, WTBS vice president, cable relations, "are the preseason games of the Atlanta Falcons, because Ted doesn't own this team."

In Andersen's opinion, many system operators were under the impression that the 1976 Copyright Act had a trigger mechanism written into it. They believed that the act would be automatically reviewed by the Copyright Tribunal should the FCC eliminate exclusivity or distant signal carriage restrictions. Says Andersen, "The House Judiciary Committee's Subcommittee on Copyright has been holding hearings on a reworking of the Copyright Act, specifically those aspects of the act that deal with cable."

#### **Prospect of repeal**

While many executives at the three superstations' common carriers are unreservedly optimistic about the Malrite Decision, as they aggressively court new cable systems and watch the increase in subscribership, some, like a spokesperson for WTBS, are tempering their optimism with words of caution. As Sullivan points out, there is considerable uncertainty as to the permanent status of the court's action, since the broadcasters have already asked for a reinstatement of the rules and have indicated that they will appeal to the United States Supreme Court. According to FCC attorney Steven Ross, the Court of Appeals lifted its stay on the FCC's ruling on June 25, and anyone wishing to file an appeal with the Supreme Court has 90 days from the final date of the decision in which to do so.

Satellite Syndicated Systems, WTBS' carrier, has issued a bulletin to cable systems informing them of the possibility of such an appeal. "Since this current 'window' for carriage of distant stations might indeed be temporary," the bulletin reads, "some cable systems are instituting carriage in the hope that they will be allowed a continuation should a reversal of the court come about. No such assurance can be guaranteed by anyone at this time, and it is not our intention to encourage or discourage a system's action."

For the most part, executives at United Video and Eastern Microwave have chosen to play down the possibility of a repeal of the Malrite Decision. "The decision in the lower court to vacate the stay was a unanimous three-judge decision," says Price at United Video, "so I think a repeal would be highly unlikely." Cotter at Eastern Microwave concurs with Price's opinion, saying that, while the possibility of a reversal does exist, Eastern Microwave's lawyers and most lawyers with whom she has spoken at various cable systems around the country do not believe it will occur.

#### **Hopes for grandfathering**

Expressing his opinion on the issue, Doug Wenger, director of marketing at Storer Cable Communications, says, "We're just going ahead with adding the superstations in the hope that, if there is a repeal, there will be the possibility of grandfathering." He adds, "We are discussing new channel line-ups right now, as we expand the channel capacity of our systems, and we're putting these superstations into our proposal. There's a tremendous amount of entertainment value in the superstations' programming, and the Malrite Decision allows us to provide this kind of value and service to our subscribers."

Do the common carriers, United Video, Eastern Microwave, and Satellite Syndicated Systems, plan to pick up additional independent stations and sell them to cable systems? Is there interest in creating other superstations?

"Transponder space is at a premium," says Cotter, speaking for Eastern Microwave, "so it doesn't look like we'll be picking up any additional independent stations." According to Price, "United Video's transponder will only allow us to pick up and distribute one video service, although we do a number of audio services on the sidebands of the transponder." "Anyway," he adds, "everyone I speak to says that three superstations are enough. As a matter of fact, until last December 31, there was a fourth superstation—KTVU out of San Francisco. Warner had it up on satellite, but took it off because it just wasn't profitable."

Says Lachowski at WTBS, "I not only believe that there is no need for a fourth superstation, but if I had to guess, I'd say that, down the road a bit, we'll see even fewer of them than we have today. It could end up being only one or two, depending on how many imported stations the cable operator wants to pay copyright for." "Actually," the station's vice president of sales adds, "we at WTBS still consider ourselves the only true superstation. Ted Turner coined the phrase, but it has since become a generic term, generally used to identify a station whose signal is satellite-distributed." □

# Franchise renewal fever industry's growing malady

Long-term efforts can prevent the battle of nerves

BY DAN ADRAMSON

Many of the cable franchises first granted 15 years ago are now coming up for renewal, and for some of these systems, the renewal process will be a comparatively simple one. For others, though, it could prove to be even more complicated than the original franchise negotiations. A company's ability to hold on to a franchise depends on a variety of factors. These include the quality of the services offered, the effort that has been put into maintaining good community relations and the political situation in local government.

Even if the actual process of negotiation only takes a few weeks, it can prove to be a very complicated procedure. Some of the original franchise agreements clearly stated the terms of contract renewal. Others did not. In cases where the original contract did not prepare for this eventuality, there may be a whole new round of competition, with many different companies bidding for the rights to the next 10- or 15-year

terms and conditions . . . One of the other options which is getting more popular is to try to renegotiate the franchise before it expires. In this case, the city and the cable company sit down, and the city decides what it wants in the way of a modernized or upgraded system. They try to come to an agreement on a direct-negotiation basis without anybody else getting into the act."

If this direct negotiation fails to bring the desired results, the city has the option of offering the new franchise on the open market to whatever MSOs or other cable companies want to bid for it. As Pilnick continues: "In direct negotiation, the threat is, if a cable company does not cooperate, then the city may not renew and may go out for bids for a new company to take over the franchise. In most of those cases, the old company is allowed to bid, but just as one bidder among a number. The company that offers the city the most would then get the new franchise."



**Teleprompter's Mellitzer:**  
"Politicians can campaign on a 'We got the cable company to do this, so elect me' type of thing."

franchise. As Gary Golding, director of community relations for Times-Mirror Cable Television states: "There is a notion I've heard in some places that franchise renewal is automatic, or something like that. I can tell you from my own personal experience that is definitely not the case. Franchise renewal requires a lot of patience, a lot of negotiation, and you really have to have good rapport with the city you're dealing with. If you don't have that, then you could have an awful lot of trouble."

## Courses of action

If the original franchise agreement did not spell out the terms of renewal, several different courses of action may result. Carl Pilnick, president of the Los Angeles-based Telecommunications Management Corporation, explains these options: "There are three or four things that can happen. The first is that the city can simply renew on the same

However, there is still another possibility. Even before the city begins direct negotiations with the franchisee, other cable companies may already have begun putting pressure on the city to open the bidding to everyone. Bill Koplitz, vice president of corporate development for UA-Columbia, contends that this may be the result of there being so few new franchises left: "I don't know that there are any absolute, cut-and-dried rules for franchise renewal. A lot of 10- or 15-year licenses now coming up for renewal are doing so at a time for the United States in which the amount of franchises that are available will be diminishing. Most of the country will soon be franchised. There's a possibility that some companies, who may be extremely aggressive, may want to go in and compete with companies that already have licenses, hope that those companies don't get renewals and then go in and tell the town: "Don't renew

that guy's franchise. We'll come in and build you a better system."

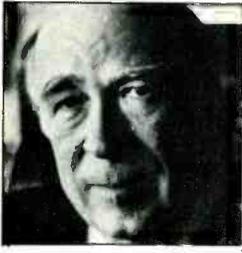
One of the key reasons why some municipalities are unhappy with the quality of their cable systems lies in the accelerated pace at which cable technology has been improved in the last decade. What was state-of-the-art in 1970 is, in many cases, outmoded today. Martin Malarkey, who along with Carl Pilnick and Harold Horn is one of the three top consultants for contract negotiation in the industry, explains the renegotiation status quo in the following terms: "Most of the systems whose franchises are going to come up for renewal in the next several years are systems that are rather limited in channel capacity—old 12- or 20-channel systems. Regardless of the size of the market, the people in that market have relatives living in larger markets where they have 35 channels, or where they're building systems that have 50 channels."

## Income the deciding factor

The problem is that the income from the renewed franchise may not be enough to justify the expenditure necessary for that much expansion. Dick Holcomb, vice president of public affairs for ATC, explains this in the following terms: "The folks in Murray, Ky. want more channels and more services just like the folks in downtown Dallas. But there are realities you have to confront about what you can afford to give them."

This makes the negotiation process a difficult one, since both sides are making offers on the basis of so many different conditional circumstances. It is at this point that negotiation consultants such as Pilnick, Malarkey and Horn become valuable. Harold Horn, of the Washington, D.C.-based CTIC Associates, summarizes the services offered by a mediator in this manner: "Representing the city in negotiations, especially on the larger systems, we usually start off with an engineering evaluation of the present system, which states what kind of problems the system is having. We also ask the companies to give us a pretty good picture on all their financial records for the last five years and for the five years currently projected."

Based on this information, the consultant can help the city to determine whether the franchisee is on the level in terms of what sort of improvements can be reasonably expected. In these instances, the city-employed consultant becomes essentially a mediator between the city and the franchise owner. As Horn explains this: "If the city is asking for things that are just undeliverable within a price range that's feasible, that comes out pretty much through our analysis. At the same time, if a company



## Consultant Malarkey: "People have relatives living in markets where they're building systems that have 50 channels."

is playing it way too close to the vest in terms of what the city has a right to expect, that also can come out for instruction purposes."

Obviously, it is important to the success of these initial negotiations that cable system operators and the local officials be on good terms with each other. This is the basis for a great deal of the public relations and community affairs work done by the system operators. The process of developing a good reputation in the community must begin with the signing of the first franchise agreement and, in some cases, even sooner than that.

### Franchise insurance

Public relations work alone will not guarantee the renewal of a franchise, but there is no questioning its value in the negotiating process. Koplovitz reports that, at UA-Columbia, the development of good community relations in this regard begins even before the granting of the first franchise: "... when we seek a new franchise, one of my first jobs is to work with the division management of that area so that the application we put forward is one which our operations people will be willing to live with. I'm looking to have a competitive application and to make it attractive. Yet I can't go in with so much blue sky and razzmatazz promises that it won't function profitably. By being that conservative, we see to it that our new franchises will be livable to the operations people, and, through the years, it is up to the system's manager and his people to open a good rapport with the local leaders."

There are a variety of activities that a cable system can engage in that will improve its relations with the local community. Koplovitz reports the following: "We cablecast the city council meetings, cover the high school football games, get involved in telethons and send out newsletters. We also try to promote the use of community access channels, work with senior citizens, and others groups."

Tom Millitzer, director of rates and franchises for Teleprompter, agrees that good community relations is of vital importance to contract renewal, but adds, "The politicians are looking for the featured services they read about in the mass magazines—services like ESPN or

Cable News Network. But we've taken the edge off of that by offering those services in a great many of our communities today."

Millitzer also cites the importance of cable system negotiations to local political campaigns: "When you get near election time, it can become an issue. Politicians can campaign on a 'we got the cable company to do this, so elect me' type of thing."

Other portions of the community worth courting for franchise renewal are the religious groups, who are often active in local politics and responsive to quality religious programming. However, politics alone will not provide total insurance against losing a franchise. As Holcomb puts it: "A planned, coordinated approach to community relations must go way beyond political contacts. You have to keep the gap between local expectations and your performance as narrow as you can without being economically nuts. That's the only real, long-term insurance against ever losing a franchise."

### The cost of losing

If Company A loses a franchise and Company B acquires that same franchise, there are two very important financial considerations to be worked out. The first of these involves how much money Company A will be paid for the equipment that it has already installed in the system. The second consideration is how quickly Company B will be permitted to begin operations and start collecting revenues. If the two companies are approximately equal in their financial resources, this usually leads to a compromise whereby Company B pays Company A enough for the equipment to get Company A to cooperate in a quick transition. However, if the new franchise owner has significantly greater funds than the old one, then the company on its way out may find itself negotiating from a position of weakness.

Gary Golding explains this situation from the standpoint of the departing Company A: "In the case of an MSO—if that happened to us—we would threaten to pull out the equipment and move it somewhere else. We have so many other operations that have a desperate need for converters, for the cable itself and even for the old amplifiers,

which we would seriously consider taking with us. In the case of a small operator whose franchise had been revoked, then I would say that there would be a lot less leverage. After all, what's the guy going to do with the equipment after he takes it down, unless he sells it to another MSO?"

Millitzer agrees with this assessment: "There can be a gigantic gap between Company B getting the franchise and collecting the revenues if A pulls its equipment out. If somebody came to me in that situation and offered me peanuts for my investment, I might as well not take the peanuts. The other operator would have to re-build everything, plus he would lose revenues for the year-and-a-half or two years it would take to rebuild the system. That's a headache no new system wants."

### 'Dog in the manger'

Pilnick compares the outgoing company's usual response to this situation with that of "... a dog in the manger. They, in effect try to keep their system physically operating for as long as possible, using delaying tactics to prevent the new cable company from beginning operations."

One highly effective example of this delaying process is the use of litigation by the outgoing company, the mere threat of which is likely to scare off some of the potential bidders for the franchise. As Pilnick explains this: "In many cases the outgoing cable company will file suit, claiming they weren't given a fair break. Even if the suit proves groundless, it can delay a new company from getting into operation by a number of years."

In any of these situations, most of the equipment involved would have been depreciated over the course of the original franchise as a standard corporate accounting procedure. However, this would mean little if the outgoing company had gone through extensive renovation in the hope of having the franchise renewed. In an industry as capital-intensive as cable, this can lead to very difficult negotiations, with both sides doing whatever is possible to gain leverage over the other.

Sometimes, this whole process amounts to nothing more than corporate gamesmanship. Horn describes these situations as "games of chicken." As he explains: "The company seeking the franchise may simply be trying to put pressure on the company that already has the franchise. In effect, what they are saying to each other is: 'You buy me out or I'll buy you out.'"

Of course, in the event that these negotiations do not work out to the satisfaction of the MSOs, the city councils and the subscribers, it can all be set right when the contract next comes up for renewal, in another 10 or 15 years. □

# Future of pay-per-view still clouded by uncertainties

Technology, talent fees and public acceptance remain issues

**W**hile the near-term future of pay-per-view TV is unpredictable, its long-term outlook in the 1990s and beyond seems assured. Eventually, most premium sports contests such as championship boxing, the Olympics, the "Indy 500" and National Football League games—all except the hallowed World Series and the Super Bowl—will be billed to the viewer directly. The cream of Hollywood's blockbusters will premiere in many of the nation's homes at the same time that they open at first-run theatres.

These are some of the predictions from an informal survey of industry executives conducted by CABLEAGE. Gustav Hauser, chairman of Warner-Amex Cable Communications, for instance, predicts that a full time pay-per-view satellite network will probably be formed specifically to bring premium events to the public in an orderly fashion.

## Forecasting is complex

But forecasting how soon or in what sequence this will occur is highly complex, because it depends on many fac-

**Welterweight** championship bout September 16 between Thomas Hearns above, and Sugar Ray Leonard below, left, could have major impact on pay-per-view expectations for the future. Entrepreneurs are hoping to snare about half the 1 million homes able to receive the fight, at \$15 each. Fight's success may mark other bouts for similar handling.

tors, from the cost of addressable traps and the savvy of pay TV marketing executives, through the variable moods of sports franchise owners, network chieftans and movie moguls.

"It's a chicken-and-egg problem," comments Hauser, one of the founding fathers of pay-per-view TV. "If the movie companies and sports entrepreneurs give us top product in advance of subscription pay services, the cable industry will install pay-per-view hardware very quickly."

The upside revenue potential of premium events exhibited over a large pay-per-view universe of homes—up to 10s of millions in one night for a big movie or fight—ensures that money will

be the prime factor in any go/no-go decision.

But dollars and cents won't be the only criterion. Just because the 1988 Olympics might gross 10s of millions of dollars more from pay-per-view than from any one of the commercial TV networks, for example, doesn't necessarily mean that the Olympic powers would choose this route. Politics is a consideration.

This is especially true for the World Series and the Super Bowl, which most industry executives feel will remain on "free" network television for the foreseeable future. Noted Don Ohlmeyer, NBC Sports chief, in a recent interview: "The structure of sports on TV will change so radically it will hardly be recognizable . . . In the future, the (commercial) networks will have only a few of the really big events like the Super Bowl or the World Series. But these events will be economically useless, carried as loss leaders to keep the public happy."



Says Ted Turner, godfather of superstation WTBS and of the Cable News Network: "Nothing in TV sport will be the same once cable and pay TV begin to bid seriously for rights. By 1983, 27.7 million viewers will have access to WTBS. I'm going to bid for the 1988 Olympics. I'm going to bid on the new NFL contract . . ."

Also affecting any forecasting model is the success of specific premium events on pay-per-view. The combination of pay-per-view cable and STV homes buying the September 16 welterweight championship fight between Sugar Ray Leonard and Thomas Hearns could add \$15 million or more to the fight's gross revenues. If it does, more premium sports and blockbuster movies may go pay-per-view sooner than they might have otherwise.



**Most observers** think certain sports events, such as World Series, above, and Super Bowl, will remain sacrosanct and will stay on "free" television, with little chance of going to pay-TV.

Certain key players will exert a strong influence over the near-term future of pay-per-view. ON TV-Chartwell Communications' chairman Jerry Perenchio and senior vice president Andrew Wald, for example, have held discussions with two major motion picture studios regarding the possible day-and-date (simultaneous) release of certain blockbuster movies in theatres and on pay TV. One of those studios is believed to be 20th Century-Fox, where the new owner, Denver oil magnate Marvin Davis, is committed to producing made-for-pay TV movies. Just as Perenchio was one of the pioneers in the STV business, so he and Davis may usher in the era of the real "theater in the home" where, for a \$5-\$10 charge, viewers will be treated to the same blockbuster films premiering in downtown theatres.

Other key players include the handful of big time boxing promoters, such as New York-based Top Rank Inc. and Don King Productions. Bob Arum, the attorney who presides over Top Rank, believes that premium boxing events suitable for closed circuit and/or pay TV will be limited to a maximum of two or three per year. Pay TV will supersede closed-circuit arenas and theatres as the preferred exhibition mode, he says, in markets where pay TV achieves major penetration.

For a glimpse of where pay-per-view is today, the Leonard-Hearns contest offers a ring-side seat. The promoter, New Jersey-based Main Event Productions, is paying the fighters \$15 million, said to be the highest purse in boxing

history. President Dan Duva estimates that the live gate will reach \$6 million, closed-circuit broadcasts in major cities will reap \$30 million, and pay-per-view TV, fledgling that it is, will ante up a cool \$15 million from about 1 million homes. Says Duva, "Five years from now, we could probably base a promotion of this magnitude on pay TV alone."

Virtually all major STV systems capable of per-program billing plan to carry the fight, including Los Angeles' ON TV and SelecTV, Oak Communications' services in Miami, Dallas, Chicago and Phoenix; and Buford's outlets in Cincinnati and Dayton.

Interestingly, SelecTV has acquired all pay TV rights in California and has sub-licensed the event to its crosstown STV rival, ON TV, plus Gill Cable and several other northern California cable systems, and a slew of Southern California cable systems—owned by Viacom, Times-Mirror, Valley Cable, Falcon, Six Star, etc. Other pay-cable operators across the country who plan to carry the fight include Viacom's Nashville system, Tulsa Cable, Warner-Amex's QUBE in Columbus, Visions

**Says Ted Turner:  
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(cable and MDS) in Anchorage, Sammons' Natchez, Miss., system, and Newchannels in Syracuse.

### **Fight will attract millions**

If Leonard vs. Hearns is as "boffo" on pay TV as it is expected to be in the ring, with more than half of the available pay TV homes opting to buy the fight at \$15 a crack, millions in profits will fall into pay TV pockets. ON TV Los Angeles expects well over that proportion to be in its audience, as just one example.

One can therefore be reasonably sure that the pay-per-view hardware—even as primitive as disposable notch filters—will flick out in the field as fast as Sugar Ray's jab, in time for the return bout or another premium entertainment event.

According to Duva and spokesmen for several major cable TV terminal equipment manufacturers, the number of U.S. homes equipped for per-program billing, presently 1 million, is expected roughly to quadruple by this time next year. Others predict it will double.

### **Almost all are two-way**

Virtually all important U.S. cable franchises awarded over the past few years demand that the operator provide interactive capability. From there it's simply a matter of installing the appropriate terminal and head-end equipment. Oak Industries reports selling its line of TC-35 or TC-52 interactive gear to Viacom for Nashville and San Francisco, to Six Star in Los Angeles, to Oceanic Cable in Honolulu, to Community Cable in Irvine, and to several other operators. TOCOM has sold its two-way interactive 55-plus systems to Storer Cable in Lexington, Boone County, and Kenton County, Ky., and in St. Louis; to United Cable in the Detroit suburbs and to Televents in Walnut Creek, Calif. Warner-Amex is expanding its pioneer QUBE interactive system from Columbus, to the Cincinnati suburbs, to Dallas, Pittsburgh and to Houston. Pioneer and Jerrold both say they are negotiating to sell interactive and/or addressable hardware to several major cable operators.

Highly aggressive cable operators like Warner-Amex can be expected to continue to be at the forefront of pay-per-view marketing and technological developments. However, more conservatively managed companies aren't likely to invest millions in expensive hardware unless they are convinced that it is reliable, and that there will be a payback within a reasonable period of time. Says Storer Cable president Arno Muller, "I think there's a market for pay-per-view, but it's not really there yet. We need more reliable addressable converters, and more events suitable for pay-per-

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view on a consistent basis."

Disposable notch filters, costing the cable operator 25 to 50 cents apiece, may be a viable interim solution. Cable subscribers who pay for pay-per-view events in advance are provided with these passive filters, which they attach between their TV sets and the cable at home, and which delete a scrambling signal from the signal feed.

But ultimately, the success of pay-per-view will rest not on technology but on the caliber of programming and marketing. Once the appropriate hardware has been installed, many different types of programming beyond big-name movies and sports could be billed on a per-view basis, from ballet to polo matches. Indeed, this potential for incremental billing for targeted audience events—which Warner-Amex has been providing in Columbus since late 1977—is what excites some programmers the most.

### Special interests

"There's a great quantity of material which may not fit into a subscription package," says Hauser. "With pay-per-view, the economics are there to cater to every special interest."

The viewer, naturally, is the final judge of whether pay TV is going to make it. In the past, viewers have obviously preferred the subscription billing method, as evidenced by the enormous success of Home Box Office versus the failure of several pure pay-per-view TV schemes tried several years ago, and SelecTV during its first nine months, after which it switched to subscription billing.

Contrary to SelecTV's projections, consumers tended to be somewhat intimidated by the original pay-per-view plan, and tended to buy fewer events than they would seek out on conventional subscription pay channels. Moreover, specialized events, from ballet through polo, are now being provided free to the viewer, courtesy of such networks as CBS Cable and ESPN.

### The event dictates

But it's the caliber of these specialized events and the demands of the artists and organizations involved which may make per-program billing necessary in



**Strand mounts**, such as this one from Pico, when used with notch filters, expand first-level tier to second and third levels without sacrificing security. Success of pay-per-view may depend on availability of simple, economic tier trap systems.

the future. Once a ballet company, for example, has earned more than the license fees paid by an ad-supported network, it could up its demands and price itself out of the advertiser-supported market. Some insiders speculate that the top talents in fields as diverse as NFL football to opera may bargain for and get whatever remuneration they want. Indeed, professional football has almost come to that point already. NFL Commissioner Pete Rozell will soon negotiate a contract with the commercial networks for rights fees over the next four years. Tab is expected to be near \$1 billion.

### Football holds back

Alone among major U.S. sports, professional football has not yet even begun to dabble in cable or pay TV carriage because it can deliver primetime audiences consistently big enough to command top advertising dollars. Says NFL director of broadcasting Val Pinchbeck, "We'll be an observer of developments in cable and pay TV sports, and not a pioneer. . . . At some point down the road, we'll be a part of cable sports networks." His counterpart at Major League Baseball, Tom Villante, confirms the substantial inroads which

advertiser-supported cable networks have made in carrying baseball. But the World Series won't migrate over to pay-per-view in the foreseeable future, he believes, for political reasons. And, he says, because "The dollars are secondary—the Series is a huge promotional tool for the sport."

### Future in regionalized basketball?

Already a staple of ESPN, basketball may have a future in regionalized pay-cable networks in areas where the fans are particularly rabid. The owner of the Seattle SuperSonics has, for example, negotiated a deal whereby certain cable viewers in the Pacific Northwest can purchase a livingroom "season ticket" to all home games. From there it's an easy transition to pay-per-view for these die-hard fans, once the hardware is in place.

Boxing is a phenomenon unto itself, according to several sources, because the "upside" can be unlimited. Surprisingly, Home Box Office's typical license fee for a championship bout in primetime—now in the \$1 million-plus range, according to Bob Arum—is considerably more than the commercial networks will pay for one of their Saturday afternoon sports anthologies. But the commercial networks will still pay more for a primetime championship bout than HBO will, Arum said—up to the \$5 million range. Even more lucrative for the fight promoter is closed circuit/pay TV exhibition, where the upside is in the tens of millions but the risk is equally substantial.

### A few events per year

Arum foresees the boxing community stabilizing at an average of two to three major closed circuit/pay TV events per year. Los Angeles' ON TV, probably the most aggressive marketer of premium pay-per-view events, looks forward to presenting a mix of from four to six major movie premieres and boxing events per year, says program director David Wyler. Gill Cable in San Jose, Calif., anticipates doing boxing, major movie premieres, and top name pop music concerts over its Northern California cable interconnect.

The consensus of industry executives polled is that over the next three to four years, pay-per-view will tend to be the icing on the cake of a successful subscription service, with half a dozen or fewer such special premium events presented per year. Four years or more from now, Hauser's vision of a pay-per-view satellite channel, from which operators can cherry-pick events, may happen. But other than Hauser, most executives questioned doubt that a full time pay-per-view channel will be widely marketed to consumers in the foreseeable future. □

**The consensus of industry executives is that over the next three to four years, pay-per-view will tend to be the icing on the cake of a successful subscription service, with half a dozen events per year.**

# Banking via cable sparks financial world's interest

Expected to enhance interactive tier, save banks money

Home banking via interactive cable is increasingly being looked at by insiders as an important method by which the banking industry can reduce the cost of doing retail business, and as a means for the cable industry to increase subscriber penetration. While some banks are currently offering home banking services over telephone lines, financial institutions are aware of some of the economic and technological advantages of home banking.

Anyone doubting the potential market for banking at home services only has to look at the interest expressed by foreign manufacturers of home banking technology. Prestel, a British system, and Intelmatique, a marketing arm of the French government, formed to promote French technology, have begun discussions with American financial in-

stitution figures, United American Service Corp., a Knoxville-based firm that develops and provides software for interface between financial institutions' application files and home computer terminals, has gone exclusively with the telephone system. "We started with the telephone line system simply because well over 90 per cent of American households have both a television set and a telephone," explains James W. Fouche, sales and marketing manager for United American.

"At this time, in the areas we serve, predominantly Tennessee, Kentucky, Virginia and Georgia, cable penetration is limited. Therefore, we elected to go with a communications network in place."

But Fouche adds that people are asking him questions about cable and

thought of as a national activity, it would be an almost overwhelming barrier. The Omaha franchise very much follows the natural marketing patterns of financial institutions."

Manelski says that cable systems can often match the branching and customer patterns of banks. The short-term problem of low national penetration can therefore be dealt with because of cable's inherent makeup. "With more interconnects for video and data communications purposes," he adds, "the major bottleneck will start to crack in the '80s."

## Costs skyrocketing

The consensus is that banks are intensely interested in electronic funds transfer, mostly because the cost of retail banking is skyrocketing. The back end of the business, that is, the general paperwork, has become automated. The front end, actual transactions with the public, is termed "pretty poor" by one industry source. Banks are trying to bring their branches closer to the people. From the standpoint of one MSO, banks have much to gain by bringing services into the customer's home. "I think the banking industry has found out that people would rather deal with machines in conducting banking transactions," says Teleprompter's director of new services development, Bob Bilodeau. "They don't talk back and they always provide the same grade of service. You push a button and they respond immediately."

The banks' present distribution system lends itself to high real estate costs, as well as high labor and handling expenses. Retail banking, despite major investments in computers, remains for the most part a paper-based system. Checks go through a large amount of handling and coding in the back office. In looking for ways to more effectively provide additional branches, the cost-effectiveness factor has suffered. As Manelski explains: "Trying to create a distribution system that meets customers' demands is both very expensive and prone to inflation. Banks have all recognized that customers want to be able to conduct transactions at their own convenience, both in a time and location sense."

Therefore, he adds, "The development of home banking by cable is really a very natural evolution for banks. They feel it's an important step to resolving their long-term strategic problems and provide greater convenience to their customers."

The ability to eliminate checks is one advantage of home banking that particularly interests French bankers. "That's one reason why home banking is going to be very popular among financial institutions," concurs Arlen



**Hoping to eliminate** the use of checks, the French are getting heavily involved with home banking and are looking toward U.S. markets with the help of consultant Arlen Lessin, above.

stitutions on the viability of implementing these systems.

However, cable has one distinct disadvantage that could take several years to overcome. National cable television penetration as of May was holding at 22 percent, according to the latest Arbitron report and 26 according to A. C. Nielsen. This has allowed banking by telephone lines to get a jump on the cable industry.

Because of the relatively low pene-

the role it can play in banking at home services. "We believe over time that cable TV will play a very important part in any type of service we offer."

## Local activity

And although the penetration figures aren't there, one helpful edge for cable is that banking, to a large extent, is a local activity. Denis Manelski, executive vice president of banking services for HomeServ, a Greenwich, Conn.-based company providing technological, operational, data processing and marketing support to Cox Cable Communications' INDAX system for the pilot banking service in San Diego and Omaha, supports this notion. "If banking were



**"The banks perceive there's a significant opportunity for a reduction in labor costs and an opportunity to reduce paper and transactional costs."**

*Craig Startt, Cox Cable Communications*

Lessin, president of Communications Consulting Corp., which provides management consulting and marketing services to Intelmatique. "That's the reason the French are very interested. French banks want to eliminate checks and reduce the costs of processing and storage."

Craig Startt, vice president of strategic planning for Cox Cable, concurs with the consensus that financial institutions are interested in home banking because they can save money: "The banks perceive that there's a significant opportunity for a reduction in labor costs and an opportunity to reduce some of their paper costs and transactional costs."

#### **Consumer interest**

Now that it's agreed the banks want it, what about the consumer? Will he shell out a few extra bucks each month for the convenience of paying his bills through his TV?

A HomServ spokesperson says research shows that convenience is the number one reason for choosing a bank, and not the services offered. Who could argue that one's home is not the most convenient branch?

The Benton & Bowles report on new TV technologies found that 23 per cent of those surveyed were "very interested" in having such a home banking service and that 29 per cent were

"somewhat interested." However, 43 per cent of the respondents said it was "very important" when asked if they'd rather do their banking in person. Whether or not these people had sufficient knowledge on banking at home or other interactive services is a question that lends itself to debate.

Because of Cox Cable's pilot program in San Diego, Startt might be qualified to better assess the notion of consumer acceptance. "At this point in time, it would be hard to quantify," he says. "Although there's a substantial market for interactive services, the question is how quickly does the convenience and the economics and efficiencies of home banking become a household word to the extent that large numbers of people are using it? The only way anybody is going to find out is by doing it."

Teleprompter's Bilodeau points to the future when home banking will be more the norm than the exception. "Kids today are growing up with computers. They're used to pushing a button and getting what they want. They're going to be very receptive to home banking."

Adults, on the other hand, will be distrustful at first, he believes. The cable industry will have to demonstrate that the service can be relied upon. "After you overcome the initial doubts," Bilodeau explains, "they will tune in to their electronic home terminal the same way they pick up a telephone."

#### **Implementing banking services**

Cox Cable's implementation of its home banking service depends on the feedback from the pilot program in San Diego, which Startt says will run for an unidentified period of time. "Before we roll it out in a substantial mode, we'll continue it in a low-key format as long as we feel there still are answers to be gotten," Startt claims.

Through INDAX and HomServ, a consumer can indicate if he wants to access some of the interactive services, one of which is home banking. Through an interactive mode, he goes on line with the computer which asks him what services he requests: check balance, bill paying, funds transfer or other transactions. Basically, all banking functions are theoretically possible except actual cash transactions, such as check cashing and deposits.

HomServ functions as Cox's marketing catalyst for banking and interfaces directly with the banks, which include First Interstate, Security Pacific, California First, Home Federal Savings & Loan, and San Diego Federal Savings & Loan. "They have a computer system that's a twin of our computer system," Startt explains. "They talk to each other and accommodate the marketing of interactive services."

Marketing feedback and information from the San Diego pilot and the introduction of INDAX services in Omaha will determine how quickly Cox introduces those services on a full-scale basis. "To some extent, it's a function of factors which lack a clear perspective because no one is providing these services to the mass market as we are," Startt asserts.

#### **When and where?**

Although there is no full-scale home banking service presently underway, Bilodeau anticipates Teleprompter launching such a service sometime in late 1982. "I'd like to see something happen next year," he says. "Based on the suppliers we've evaluated I don't think it could happen early next year. It could happen in the latter part of next year and more than a year from now is very possible."

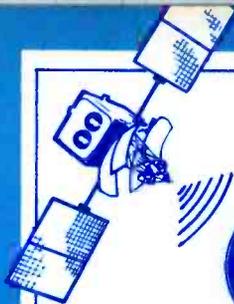
While it's true that only interactive systems could offer a home banking service, Bilodeau says there's actually more to consider. "You can't just go anywhere and select a site because the bank is a very significant player," he explains. "You can't duplicate the bank's accounts and computers in order to carry on an experiment in banking. You need a bank to say, 'I'll put up the computers and handle the transactions—you pass the information through.'"

#### **Cost to banks, operators**

It is Bilodeau's contention that the financial institutions will, instead of passing the incremental cost of electronic funds transfer on to their customers, subsidize the service to some extent. In this way, he notes, the banks will pass on the saving they incur from this method of doing business on to their customers. "It's a genuine savings to the banks when they can get out of the paper society," Bilodeau says.

Communication Consulting's Lessin

**It is logical to assume that if a subscriber accepts shopping at home and other services on an interactive tier, he'll take banking as well.**



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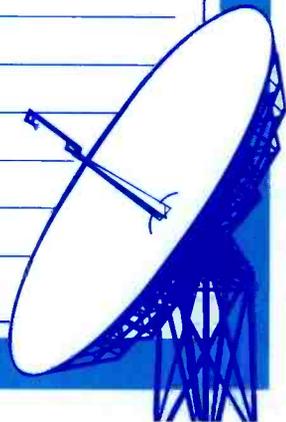
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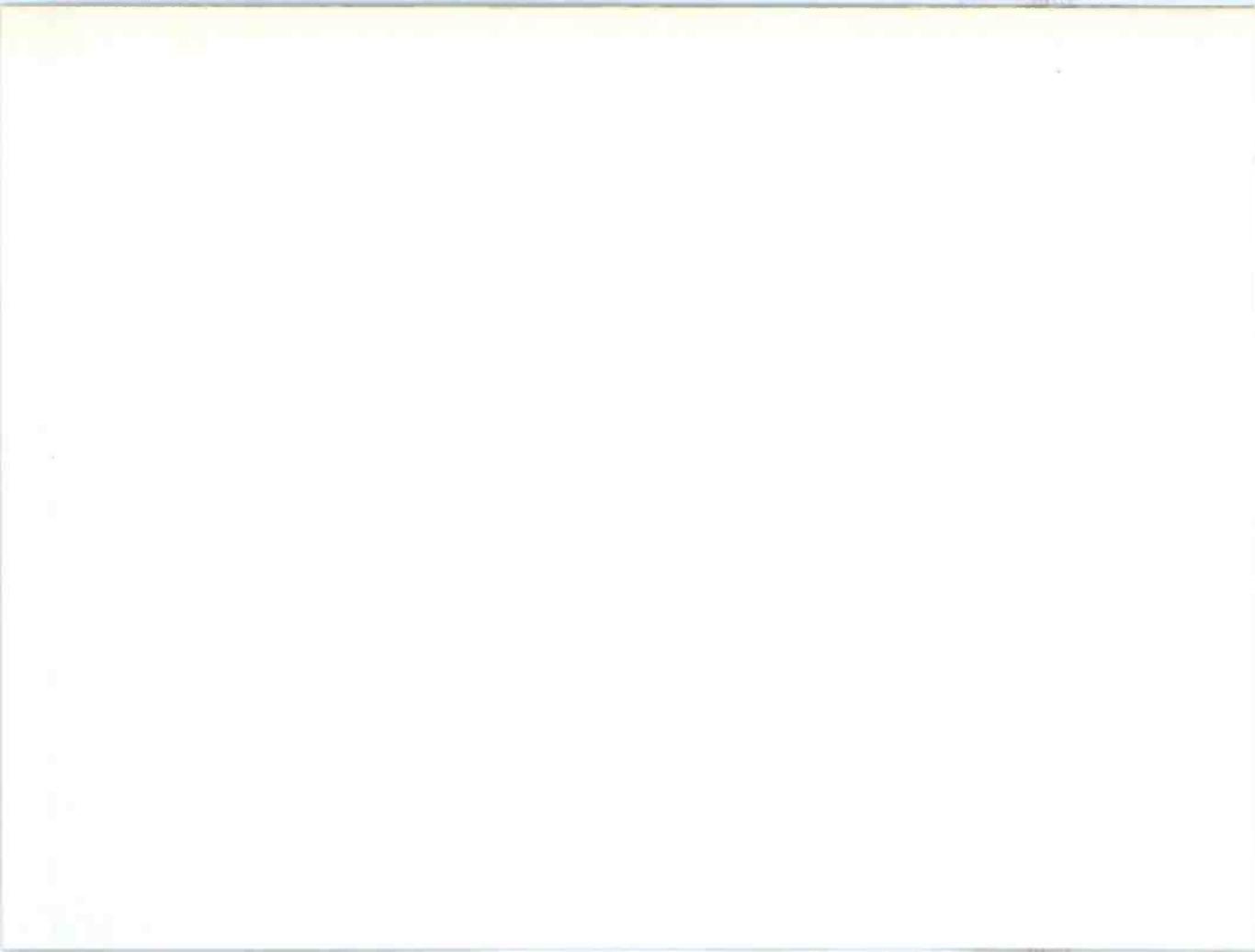
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**Payment or company purchase order must accompany order**

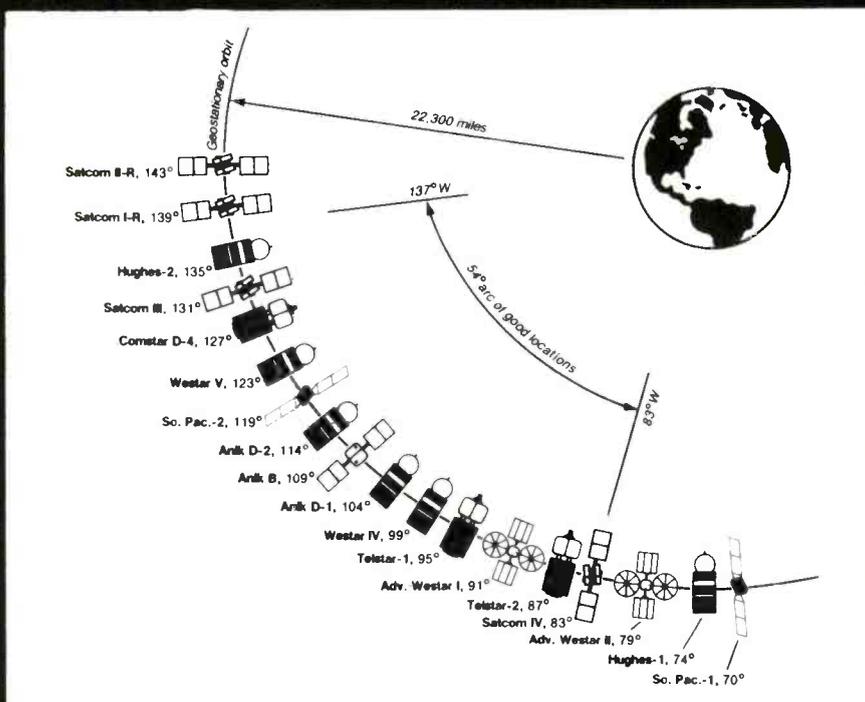




**JUST OFF  
PRESS**

# What Broadcasters Should Know About Satellites

by John P. Taylor



A second volume of articles by Television/Radio Age's John P. Taylor, expert on satellite transmission.

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Please send \_\_\_\_\_ copy(ies) of Vol. II, "What Broadcasters Should Know About Satellites" @ \$12.00 per copy.

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Payment or company purchase order must accompany order.

says the mode of transmission American banks chose could certainly be cable. "It's really a matter of what is thought to be the most economical and feasible way of doing it," he says. "I don't think anyone has a preconceived notion on this. It will be based mostly on some application experience."

#### **Based on volume**

The cost of home banking systems, Lessin adds, will be based on volume. "At this point the systems are just going into production so the costs are extremely variable, based wholly on volume. The quotations are always made on a custom basis. There's no such thing as a standard price list, particularly because it's quite new."

Cable systems equipped with interactive capability won't require much of an additional expenditure to handle home banking. Startt explains: "The banking service itself doesn't require a great deal of investment, but you can't get to that banking service without having made a substantial investment in programming software, computer hardware" and other components of

British Videotex and Teletext. "It will be one feature among many."

Bilodeau explains the probable direction Teleprompter will take: "Banking is part of an interactive package of services. In all likelihood, what we'd do is bill for the package, the interactive tier. We'll charge what the market is willing to pay for that combination of services. We'll also get revenue from banks, information suppliers, retailers and others. This will determine what the charge to consumers will be."

He concludes that it is logical to assume that if a subscriber accepts shopping at home and other services on an interactive tier, he'll take banking as well.

#### **International exchange**

While foreign banks continue home banking market trials with a telephone-based system, European manufacturers are looking to interest American banks in their systems. The question facing cable operators is: Will the financial institutions prefer the telephone system or cable? Prestel is somewhat indifferent on that matter. "There's no real cost

from cable operators," Shilson says, "but they don't seem to be as keen as others who can get in the market rather faster with telephone-based systems. Most of the inquiries are coming not from cable operators or MSOs but banks and other information providers."

Lessin says it's very possible to do banking through the French system via cable and that there are a number of U.S. banks that have expressed strong enough interest for Communications Consulting to discuss potential applications with them. These banks include Security Pacific, Bank of America, First Interstate, Chase Manhattan and Chemical.

#### **Next phase is testing**

"They're asking us what the technology is all about," Lessin says. "The next phase would be to determine exactly what the application and mode would be, and then test the service."

Lessin says French manufacturers have yet to make a major effort in the U.S. because they're still getting under way in their own country. He expects efforts to step up in a few months and certainly by next year. In addition, Intelmatique will set up a subsidiary in the U.S., probably in New York.

The potential for home banking is perceived to be enormous. Western European countries are working to develop a standard for home banking. The International Association of Microcircuit Cards, initially representing France, Great Britain, Germany, Belgium, Ireland, Luxemborg and the Netherlands, have pledged cooperation in promoting a uniform technology for the integrated microcircuit cards and their associated electronic systems, and, as Lessin says, "fundamentally for the basis of home banking."

#### **Cards are 'smart'**

The distinct aspect of the European systems are these microcircuit cards. Lessin says France's Carte a Memoire differentiates the French system from the others. Called the "smart card" by Intelmatique, it resembles the traditional plastic credit card but incorporates the latest microcomputer chip technology which is embedded in the plastic at the time of manufacture. When powered by a home terminal, the card acts like a full-fledged computer and possesses memory and intelligence, Lessin says.

The card also serves as a security feature, much like Prestel's Money Transaction Number (MTN)—where a 10-digit number must be entered for each transaction.

Summing up, Lessin says, "The partnership between cable companies, banks and other suppliers of services will probably be the secret of the success of this industry in America." □



**The "smart card"** is a plastic credit-type card containing a microcomputer chip. When activated by a home terminal, above, it can perform a wide range of bank services.

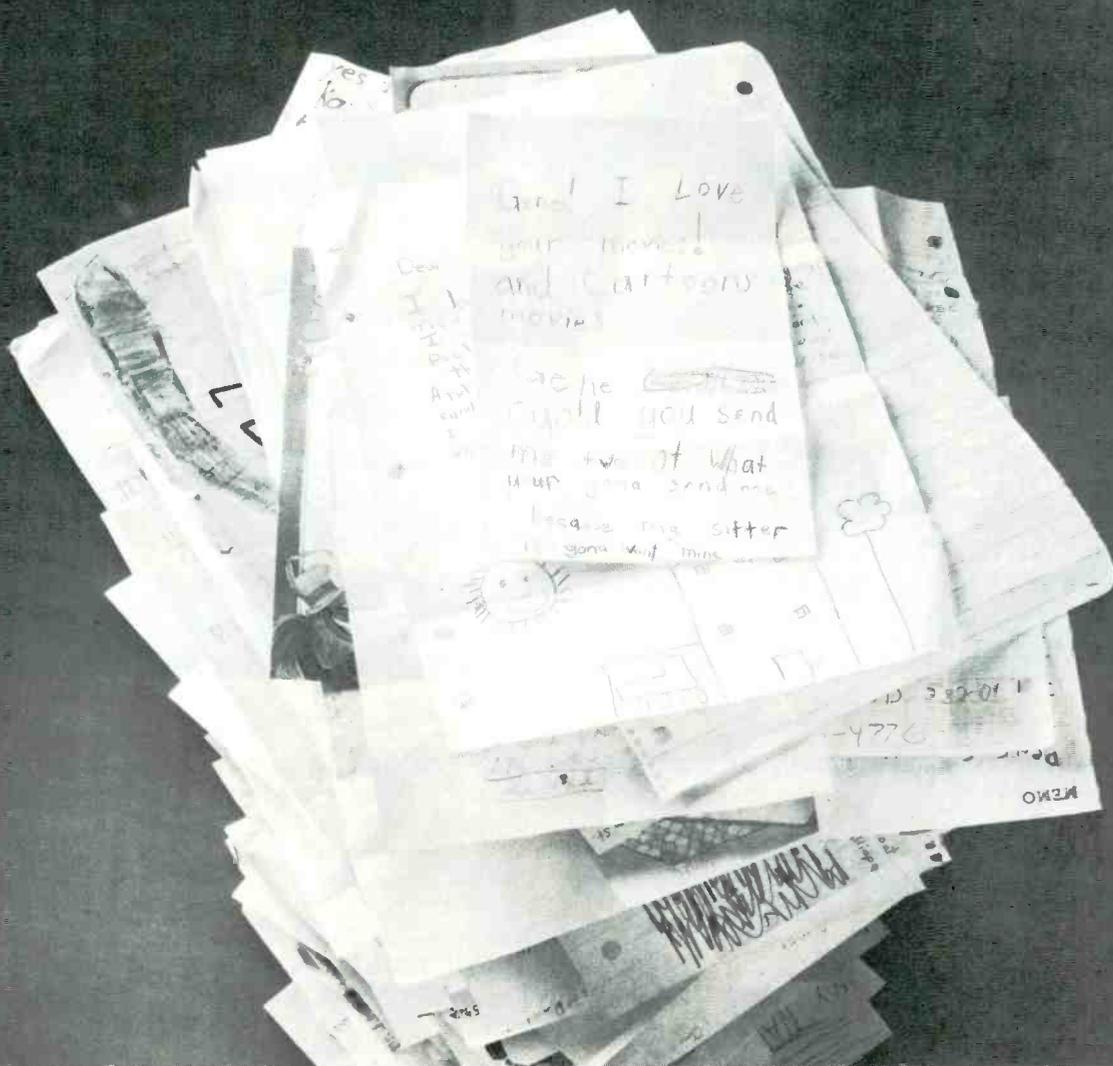
interactive systems.

Those involved with banking at home services believe interactive services, and therefore home banking as well, will realize their success when offered as part of an interactive tier. "People aren't going to invest in these systems just to do banking," cautions Ken Shilson of

difference from Prestel's end," Shilson says. From the bank's standpoint, however, he explains that cable is advantageous because it allows a greater capacity link from the computer. Images by phone take between 30 and 60 seconds to only one second on the cable system, he says. "With cable, the new expensive technology can be put at the headend and not at the users' terminal."

Apparently the telephone-based system is taking advantage of its readability. "We are dealing with inquiries

# CALLIOPE GETS RAVE REVIEWS FROM CRITICS WHO COUNT



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Kids love Calliope. But they're not the only ones. Because Calliope is acclaimed as one of the best children's programs on television by everyone who watches it. It won the ACT award for excellence in children's programming. Calliope wins praises all around because it lets kids watch academy-award winning films that combine entertainment with valuable learning experience. And Calliope isn't the only success

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For cable sports fans, USA carries more live prime-time major league sports than any other network anywhere in the U.S.A. Cable viewers who love the finest in cultural/documentary entertainment can't match the quality programming of our English Channel. For today's woman, "YOU" magazine can help bring out the best in her looks, her job, and her self. And starting in October, to keep you healthy,

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General Media Corporation, has become a major  
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**Many of his fellow cable industry leaders agree.**

## **Here is what they say about CableAge—Part I**

---

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**Jack Schneider, President  
WARNER AMEX SATELLITE  
ENTERTAINMENT CO.**

*“Clear, concise and comprehensive.”*

**Gerald Levin, Group Vice President  
Video Division  
TIME INC.**

*“CableAge has quickly developed an important niche covering areas that are not covered  
by other publications.”*

**Ralph M. Baruch, Chairman  
VIACOM INTERNATIONAL INC.**

*“CableAge is tailored for the busy cable executive. I find it very helpful.”*

**Jack Clifford, President  
COLONY COMMUNICATIONS**

*"What a good-looking and good-reading magazine. With all of the new cable publications that have sprung up in recent months, it's a pleasure to read one with such a clear sense of important issues and events."*

**Don Menchel, President  
MCA TV**

*"CableAge is well edited and well written. But above all, it is responsive. We know in a tangible way. We placed an ad in CableAge on our Super Space Theatre and received specific responses."*

**Abe Mandell, President  
ITC ENTERTAINMENT**

*"I am delighted to see a magazine of this type finally emerge and find that it provides information that is valuable to me as an advertising professional."*

**Hugh Johnston, Account Executive  
BBDO, INC.**

*"I want to express our appreciation for the excellent editorial on 'Supercable', May 18 issue CableAge. It has to be the finest dissertation on 400 MHz technology I have seen in any CATV publication."*

**Samuel B. Compton, Manager  
Marketing Communications  
GENERAL INSTRUMENT CORP.,  
JERROLD DIV.**

*"I found it interesting and obviously feel that your timing is super."*

**Daniel B. Burke, President  
CAPITAL CITIES  
COMMUNICATIONS, INC.**

*"Congratulations on the publication of CableAge. It is a worthy extrapolation of TELEVISION/RADIO AGE. My only complaint is that you have added another item to my mandatory bi-weekly reading list."*

**Daniel E. Gold, Vice President  
COMCAST CABLE  
COMMUNICATIONS, INC.**

# CableAge

**Covering the age of cable completely**

# Cable network sales pitch moves into second gear

Advertisers seen wanting more data, less education

Cable networks are spending less time selling the concept of cable television and more on selling their own particular program offerings to prospective advertisers. Most of those in the business believe the groundwork has already been done. Although the research going into presentations may not be as probing as that evidenced in broadcast television, numbers are becoming a growing factor in sales pitches.

As to gaining more acceptance for the medium, networks still use some generic or educational sell in their presentations, though less of this sort of pitch is needed, they agree. Some can now move along fairly quickly to presentation of a rate card—which wasn't available early on—and still isn't published by some services. At CBS Cable, the presentation preliminaries include calling up the name and accomplishments of the communications conglomerate's founding father, William S. Paley, to lend extra solidity to its new cultural cable venture. Apparently this approach helps, as the service signed a five-year pact with its first advertiser, Kraft, well before CBS Cable's October 12 debut.

But generally, cable network sales types don't fall back on history to aid their presentations. "We are the Wild West of broadcasting—we come out with both guns blazing," says John Fernandez, director of sales for Christian Broadcasting Network (CBN), pointing to the medium's inability to sell on the basis of track record owing to its relatively brief existence, fragmentary ratings and initially low market penetration.

What Fernandez tries to get across in his presentation is cable's uniqueness. "We are really not comparable to radio," he says, "because not all of us are offering specialized programming.

"They still ask me at some agencies," he says, "'How many TV stations and how many TV homes do you have?' And I have to get it into their vocabularies that it's cable systems and cable homes we're talking about."

He expects that some of the frontier quality will subside for CBN as it begins audience measurement—probably in early 1982. Using the Nielsen Television Index, the service will get half-hour ratings on a monthly basis. CBN will also receive audience demographic characteristics four times a year, coincidental with Nielsen sweep periods (in November, February, May and July). Advertisers have so far been telling Fernandez, "We'll go with CBN for now, but we

expect the audience to be verified in January, 1982."

In the meantime, "We give them projections based on our best judgments of homes delivered," he says.

## A different style

CBN's presentation style is deliberately different from that of other services. "Most networks are applying 'narrowcasting'—all sports, music, news or culture. We want to be horizontal, with a program schedule for the entire family," Fernandez says.

CBN decided to premiere its own productions—including a soap opera—on September 13, about the same date set by the three conventional networks for breakout of their new shows. Religious programming is being replaced by entertainment on CBN "because we can't reach as many peo-

dren's and entertainment/documentary.

"This means," he says, "that without trying to be all things to all people, we can go after diverse advertisers across the spectrum."

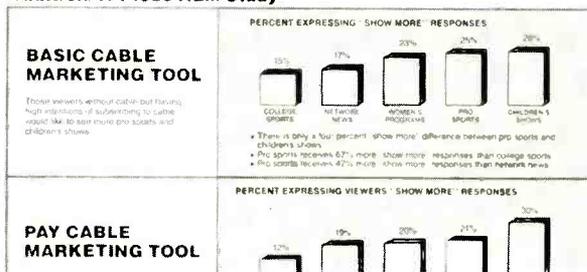
Even with its varied audiences, Lawenda tells advertisers that USA can give them "all the selectivity of magazines and radio, limited waste, and all the 'pop' and excitement of TV."

Fewer commercial breaks make the advertiser's messages stand out and keeps them palatable for audiences. Some exclusivity is offered advertisers on certain sports events, for example. But USA is not looking up all its programming this way "because we're still at the stage where we don't want to discourage any advertiser," says Lawenda.

Programming diversity hasn't hurt the network as it has landed male-oriented advertisers for its sports events (like Miller Brewing); women's product advertisers (such as Clinique cosmetics) youth-oriented ones (*Rolling Stone* magazine, Wrangler jeans and Wrigley's gum), and some delivering corporate

## THE RESEARCH: WHAT WILL USA DO FOR YOU?

### \*Arbitron VPI 1980 NEM Study



A Unique Proposal  
That's a Sure Winner

**USA sales piece, above, stresses research on sports interest. ESPN literature spells out advantages of combined buy of cable network and "Sports Illustrated."**

ple with it as we'd like."

Besides its new programming format, Christian Broadcasting Network's presentation also offers advertisers opportunities for total identification with a particular program through long-term sponsorship, "something you don't see much on network TV because it's prohibitively expensive," he points out. Advertisers like Oscar Mayer and Richardson-Vicks have already taken advantage of this kind of offer.

Jeff Lawenda, vice president-advertising, for USA Network, says his service positions itself in presentations "as an eclectic network" with four carefully selected program categories including sports, women's/family service, chil-

messages (St. Regis Paper, for example). Still others on the USA roster include AT&T, Merrill-Lynch, *Wall Street Journal*, Bristol-Myers and Sherwin Williams).

## Some will "wait-and-see"

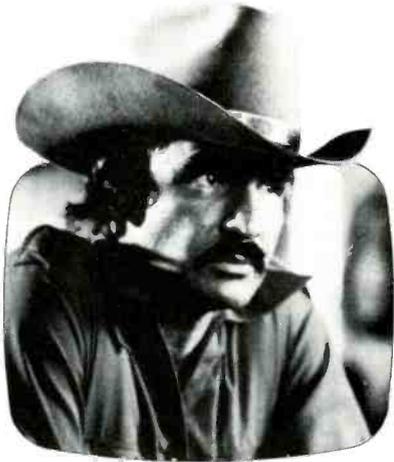
While "the barriers are breaking down," Lawenda still sees some resistance from advertisers who may "wait-and-see" for five years before they get involved. "I'm not criticizing them," he says, "but I think they are missing a great opportunity in the midst of a dramatic stage of cable's evolution."

One way he hopes to wear down resistance is through more sophisticated research. Having started with a modest program of telephone coincidentals this year, USA expects to begin providing both improved quantitative (metered) and qualitative audience data by March, 1982.

Last April, the network supplied its first average quarter hour data. Law-

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since we design, print and deliver TV WATCH for any cable franchise, no matter how big, it's sure to be a favorite with you, too.



For more information about DIP and TV WATCH, call (404) 355-0100. Or write DIP/TV WATCH 1819 Peachtree Road, N.E., Suite 460, Atlanta, GA 30309. We'll give you lots more reasons why DIP and TV WATCH are the program guides you should be looking into.



TV WATCH/DIP is an affiliate of United Media Enterprises, a Scripps-Howard Company.



**Christian Broadcasting Network's** "Another Life" was promoted by full-page ad in "TV Guide." CBS Cable's cultural programming is highlighted in brochure, right, which informs viewers and advertisers of network's varied schedule.

## Best of all— CBS CABLE IS PEOPLE!

Wonderful evenings spent in the company of marvelous people like Liv Ullmann, Carly Simon and Ingmar Bergman.

It's "The Letters of Calamity Jane" as performed by the incomparable Jane Alexander.

It's "When I Think of Russia..." memoirs



enda expects that once research has reached such a level of sophistication that it will be possible to show, for example, which sports events attract the most upscale audiences, then "cost per 1,000 will get a lower priority relative to factors such as attitude, recall and attention levels."

Jerry Hogan, advertising director for Turner Cable Sales, says, "We have made enormous strides since we began presenting the superstation concept in 1978, though we met enormous resistance at first."

That resistance was owing to a combination of "lack of acceptable research, our size (we were quite a bit smaller than now) and reluctance to change on the part of some advertisers—still the most difficult problem to address."

Hogan says the two services his organization represents, WTBS and Cable News Network (CNN), now have "adequate measurement." Since February, WTBS has nationally metered measurement from Nielsen Television Index, provided on a monthly basis. The research reflects programs surveyed on an average minute basis.

Demographics are provided quarterly, based on diaries in metered homes. Some 10,000 additional diaries are now also provided to non-metered WTBS homes.

The superstation's first report (for June, 1981) showed its audience to be close to projections. Hogan points out, "Monday to Friday daytime, we reached 392,000 homes—which is a 2.4 rating in our universe, our early evening programming (6-7 p.m.) reached 605,000 homes with a 3.7 rating. Our Sunday afternoon movie reached 980,000 homes for a 6.0 rating."

On the other hand, CNN has been wrestling with the research problem, since it doesn't yet have the 15 per cent penetration of all U.S. homes needed for Nielsen measurement. "We look for-

ward to Nielsen by the first quarter of 1982," says Hogan.

Meanwhile, CNN is combining telephone coincidentals with diary-based measurement in selected markets. "It's acceptable, though not absolutely satisfactory to the advertiser," he says, "but they know it's the best we can currently make available. The bottom line is they are renewing their commitments. The two services are "probably spending close to seven figures on research," Hogan reports.

### 'Challengers' receptive

The best reception to WTBS presentations was initially accorded by "challenger" types (Japanese auto and camera manufacturers) rather than established U.S. advertisers. Hogan sees this as due to the challengers "maybe being a little more aggressive and also looking for less crowded media."

But the situation has begun to change to the extent that Hogan can now state that "very few of the top 50 U.S. advertisers are not using one or both of our services."

As for presentation style, "both services use what we call Cable 101, which offers facts and figures on the cable industry and looks at its potential." Hogan's rationale for this approach is: "Because it's a decision outside of the media mainstream, it needs more approval from more approval levels. Also, some of the decision-makers may not be fully-versed in cable."

From there, the approach for each service takes a different path. "CNN, an easy product to define, is sold very conceptually," he says. The superstation, on the other hand, "is sold primarily on its media value." No rate card is published for WTBS as "pricing is becoming more a function of the marketplace, just as for conventional networks," Hogan says.

WTBS sells product exclusivity in

certain programs, as it did, for instance, with Anheuser-Busch on its baseball telecasts. Another program where consideration was given to an offer of exclusivity to a product category with an option for renewal in subsequent years, was *Nashville Alive*, which was set for September 12 launch.

### Marketing opportunities

Another launch that is being viewed with considerable interest by "virtually every agency and client we've talked to" is that of CBS Cable on October 12, says Jim Joyella, director of advertising sales for the new network. "They're truly interested in learning," he says, "not just about cable technology, but about the real opportunities we offer for communication—read that marketing."

He continues, "When CBS looked for an entry point in this new industry, research showed the best niche for us would be in cultural programming. But ask six or seven people at a cocktail party, 'What do you mean when you talk about the arts or culture on TV?' and you don't get very interesting responses. So we haven't developed any catch-phrases for our presentation. Our generic pitch is followed by a 15-minute reel of programming—which will include symphonies, opera, jazz, ballet, drama, film, plus programs related to the arts."

In the presentation, Joyella reminds prospects, "You can't buy scatter—the unit of sale is a program series. You can, of course, schedule 60s and 30s but also enjoy the creative flexibility of long-form messages. What we are encouraging is long-term program sponsorships. We are rolling back the clock to the network TV of 1950 when you could afford to buy the whole program."

There will be five minutes of advertising within the program hour, he explains, and two minutes between programs, one for local sale by the cable operator, the other for CBS Cable sale or promotion. In half-hour programs, there will be four commercial minutes inside each program. Billboards are included with full and co-sponsorships.

"Kraft will sell Philadelphia brand cream cheese, I assure you—but they will also have total identification with a show—the Kraft Music Hall," says Joyella.

CBS Cable is looking only at larger national corporations or institutions as advertisers to fill 21 possible program sponsorship roles in its 12-hour-per-day, seven-days-per-week schedule. (The three-hour program blocks are to be repeated four times daily). The network's criteria for sponsors also includes their having a tradition of support of the arts and innovativeness in the use of media.

So far, Joyella has found "a low level of real resistance, but a normal degree of caution" among advertiser prospects.

One of the problems the cultural service faces is a lack of research. "We intend to deal with that," he says, "with four or five months of proprietary studies, including telephone coincidentals, so that we can learn quickly not only how big an audience we have but what the flow is among the various program types."

"In the meantime," Joyella adds, "everyone in the industry is trying to come up with a fair way to evaluate the medium." He notes that agency media departments are using a rule-of-thumb rating system of one to four "for your universe or sub-base, with a truly spectacular show perhaps enjoying a five or six rating."

CBS Cable will attempt to develop a complete viewer profile, he says, "but it doesn't take a great leap of faith to know that we'll attract upscale viewers."

#### **Audience size no issue**

For some of its programming, he sees CBS Cable drawing relatively small audiences. "But this is not a fatal flaw when you talk about the cable buzzword, 'narrowcasting,' which is targeted to a specialized audience.

"Of course," he says, "agency executives have to look at cost efficiency, but audience size becomes much less of an issue when you buy a finely targeted audience."

As for sales style, CBS Cable covers major agencies with its generic presentation, then sits down with them to develop specific proposals for communication to high level executives within client organizations.

"We want to offer the same values as a specialized magazine," Joyella says, "plus the incredible value of TV."

The network's presentation reel grandly closes with Leonard Bernstein at the podium and the characterization of CBS and its new cable venture as "a tradition . . . a promise . . . a vision."

One operation that has its sales work cut out for it is ARTS (Alpha Repertory Television Service) started up last April by ABC Video Enterprises and Warner Amex Satellite Entertainment Co. and yet to report its first advertiser.

The network seeks only seven advertisers who will be charter underwriters for the entire nightly three-hour service (9 p.m. to midnight).

John Cronopulos, director of sales, sees the advertisers using "infomercials," 60- and 90-second spots that are compatible with the programming and "short of call to action." He says, "In other words, we don't want any \$600 rebates offered or messages that our

aspirin is 67 per cent stronger."

When it started up, ARTS also offered 10- and 15-second billboards as temporary means of introducing commercials to viewers, but there were no takers. Now the long, informational spots are planned for clustering at the beginning or end of shows, or even between acts—though not, for example, in the midst of an hour-long documentary on Hemingway.

Cronopulos is encouraged by advertiser interest in recent weeks, though earlier he found the service taking a back-seat to other media buying. "Commercial TV obviously takes priority," he says, "especially owing to the baseball strike, which left advertisers wondering, 'Now what do we do with



**Sales** have been slow in coming on ARTS programs, such as autobiography of Norman Mailer.

the money we saved?'"

ARTS is looking to expand its research capability "since we can't talk cost per 1,000 as yet," says Cronopulos. With under five million subscribers, he doesn't see metered measurement coming about very soon. For now, the service is considering market studies using the QUBE two-way communications system developed for Warner Amex or "perhaps our own telephone coincidentals." Advertisers have so far been patient with the lack of measurement "and they enjoy getting whatever education we can offer about cable in any case," he says.

#### **Tailored presentations**

The presentations used by ARTS are tailored to each prospect "with a lot of one-to-one meetings scheduled," he says. Cassettes of 21, 14 and nine minutes duration have been developed to allow sampling of programming.

Mike Presbrey, vice president, advertising sales, for ESPN, early in the game experienced problems in getting advertiser commitments, primarily because of a lack of ratings. "But now they buy us for all the franchise possibilities we offer, plus cost-efficiency," he says, pointing out that "you can get a 30-second announcement on 44 college football games for the same amount as for one game on a conventional network."

ESPN also had to do a lot of educating by way of generic presentations up to less than two years ago. "But agencies now have their own experts and some are even coming to us with ideas

on how they'd like to use cable," Presbrey says.

Presenting pricing was another hurdle overcome. The service now has a rate card which he describes as "ever-changing with our growth."

An added initial barrier was penetration of cable, which is now in nearly 30 per cent of U.S. TV homes, while ESPN is in over 15 per cent. "Some advertisers need more coverage, but our selling pluses outweigh the negatives," he says. "We can offer a select audience, innovative commercial lengths that would be too expensive on conventional networks and sponsorship opportunities—including some on an exclusive basis. But besides that, ESPN is in all the top 50 DMAs, and in 99 of the top 100."

Presbrey also tells advertiser prospects that by virtue of being an all-sports network, "we can get them the hard-to-reach male viewer." This has been an appealing approach to advertisers in the beer, automotive, men's grooming aids, and financial fields, among others on ESPN's roster of 150.

#### **Mixed media package**

Among ESPN innovations offered advertisers is a mixed media sports marketing package in which the service has teamed up with *Sports Illustrated*. The program allows for merchandising activities including consumer sweepstakes, sales incentive contests, appearances by sports celebrities, sports clinics, direct mail and displays customized to each client's goals.

In the research area, Dana Redman, ESPN's vice president, research and measurement, looks for Nielsen metered measurement to start early in 1982.

"This will give us a feel for how we are doing by daypart, by the half-hour, or a four-week basis," he says, adding, "but we still need a lot more information on audience composition. We already know we average one male viewer per set and 1.3 for certain events, which is higher than for the Superbowl."

Redman plans to do "some testing with juggled schedules—taking out boxing one night, for example, and also some surveys with and without advertising." The methodologies are expected to include a two-way or interactive system and telephone coincidentals.

"We have a sense," he says, "that we have an upscale, responsive male audience with influence way beyond what the household numbers suggest. Once we've got more information, it's incumbent on us to go to the advertising community with it. But even up to now, most sales have not been primarily concerned with cost per 1,000. So this information will simply strengthen what advertisers have already accepted to some degree." □

# CORPORATE PROFILE

## Comcast Corp. and subsidiaries (000\$ except per share data)

	Year Ended December 31		
	1980	1979	1978
Service Income	\$26,661	\$21,811	\$16,181
Working capital provided by operations	7,236	5,634	4,680
Net earnings	3,077	2,168	1,709
Earnings per share			
Primary	.77	.57	.46
Fully diluted	.77	.56	.45
Dividends—class A	.093	.062	.047
Dividends—class B	.093	.062	.047
At year end:			
Total assets	64,871	40,798	30,194
Working capital	11,717	7,480	6,761
Long term debt	28,922	24,237	16,168
Stockholders' equity	25,315	10,351	8,186

## Comcast's heady growth tied to intro of pay tiers

Comcast Corporation's record second quarter financial results reflect the explosive growth of the cable TV industry overall: gross revenues of \$9,702,000, up some 54 per cent over the second quarter of 1980; earnings of \$1,206,000, up 115 per cent over last year. Moreover, the suburban Philadelphia-based company passed the \$100 million mark in assets, almost triple the amount just 12 months ago.

### Pay units increase from 76,000 to 110,000

Strong growth in pay and basic cable penetrations accounted for most of this financial muscle flexing. While basic subscribers increased from 160,000 to 180,000, from last December to June, total pay units shot upwards during the same period from 76,000 to 110,000, following the introduction of multi-pay tiers. Comcast's "Totalvision" tier in Flint, Mich., and other communities—consisting of Home Box Office, ESPN, WGN, Nickelodeon, C-SPAN and other channels—has contributed to vastly increased average revenue per home.

But cable is only one facet of this mini-conglomerate's story. Comcast has two other tangentially-related divisions. The music and sound communications division operates the country's largest independently-owned network of Muzak background music franchises, and offers other related music and sound services to business and industry. The second non-cable division, Storecast Corp. of America, provides in-store merchandising and

marketing services to manufacturers selling through supermarkets and other retail stores. Though separate financial figures are not broken out for each division, a company spokesman said that cable accounts for approximately 80 per cent of revenues and earnings.

### \$30 million in cable facilities should spark more growth

Growth should continue to be very strong, given the company's \$30 million capital investment in cable TV plant and facilities this year. The Storecast Corp. division is expected to experience the slowest growth.

Comcast is acknowledged by the industry to be one of the best-managed and most financially astute medium-sized multiple system operators. In the early 1960's, the company led the industry in achieving a long-term insurance company loan to replace traditional short-term commercial bank financing. Later in the 1960's, Comcast created one of the first limited partnerships to build and develop a cable TV system complex. In 1978 and 1979 this feisty growth company demonstrated the value of Industrial Revenue Bonds as a financing technique, selling the bonds through both a public issue and through a private placement with a long-term lender.

### Total revenues zoom 50%, profits double

To help fuel the rapid growth achieved over the past two years, Comcast has diversified its sources of financing to include not only internally generated funds and increased lines of credit from banks, but the issuance of common stock, more industrial revenue bonds and subordinated convertible debentures.

For the six months ended June 30, 1981, total corporate revenues hit \$18,245,000, up more than 50 per cent from the \$12,060,000 recorded during the same period in 1980. Pre-tax income from January through June, 1981 was \$2,613,000, double the \$1,307,000 recorded during the same six months of 1980. After-tax income for the six months was \$2,012,000 this year, vs. \$1,012,000 the prior year. There are now roughly 4,530,000 shares of stock outstanding, which have approximately doubled in per-share value over the past two years, even discounting the effect of three-for-two stock splits enacted May 15, 1980 and April 10, 1981.

Comcast has also been active in industry affairs: Dan Aaron, chairman of the cable division, recently served as chairman of the National Cable TV Association. Other key players in the cable division include President Chris Derick, the controversial former president of the defunct Premiere pay TV network; Franchising Vice President Ed McGuire; Group Vice President Albert Bloom, Group Vice President Roger Leonard, Group Vice President Abram Patlove, and Vice President-Engineering Thomas Polis. Ralph Roberts is president of the parent corporation.

Barring any unforeseen circumstances, Comcast is expected to continue to be regarded as a blue chip investment in the high flying cable industry.

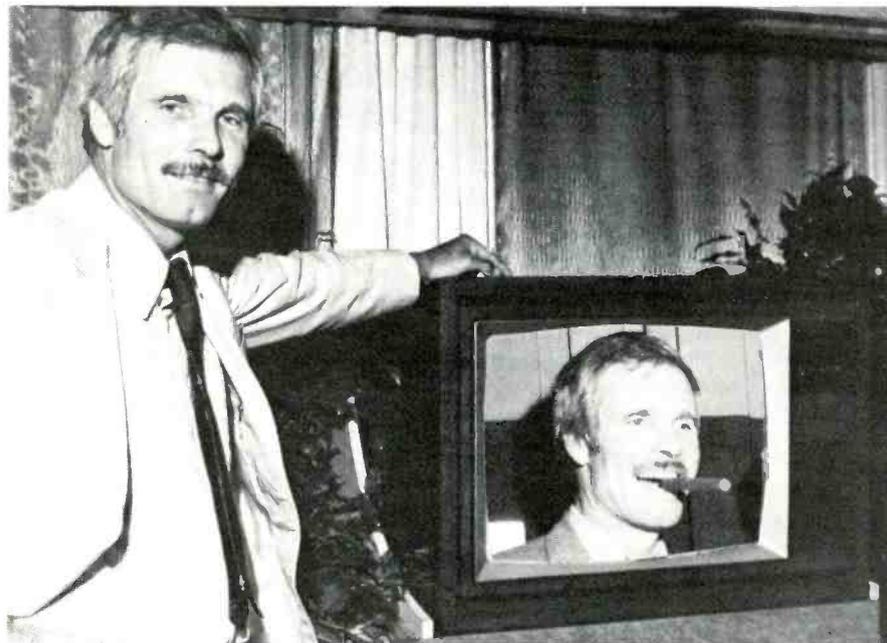
# Programming

## Turner's CNN II met with fanfare and some pessimism

Paul Hancock, president of New Milford Cablevision, wasted little time in pushing to the front of a crowded auditorium when Ted Turner asked if anyone wanted to be the first to sign for Cable News Network II. Obviously reacting to forthcoming competitor NewsChannels, joint venture of Group W Satellite Communications and ABC Video Enterprises, Turner made the official an-

say the organization's finances are shaky and the banks have it in a squeeze. Turner's indication in Boston that he might be forced into a merger is prophetic, they believe, but some say that the mating of Turner with a larger organization—particularly a network—could prove chaotic. Turner, noting that ABC's entry into cable news puts the other two networks at a significant disadvantage, asserted, "I'm going to do what I have to to survive. Someone's going to have to put a bullet in me."

The contrast between Turner's hip-shooting style and that of others in the



**Double trouble:** Shortly before he made his official announcement of a second news service, Ted Turner was found at CNN's Eastern Cable Show booth in Atlanta, watching an interview with his favorite personality on his favorite network, where he lambasted the forthcoming competition from Satellite NewsChannels and confirmed reports that he had a second news network in mind. (Photo by Bush Enos, Jr.)

nouncement of his competitive second news service at a "press conference" at the Copley Plaza Hotel in Boston, held in conjunction with the annual meeting of the Cable Television Administration and Marketing Society.

Hancock tells CABLEAGE his response was less spontaneous than it might have seemed: "I know the staff and had talked to them beforehand." He says he was inspired to volunteer by what he had learned about the new service and by his previous experience with Cable News Network, which he describes as "a very popular channel" on his system.

But others queried by CABLEAGE are dubious about Turner's getting the new "headline" service off the ground. Sources close to Turner Broadcasting

broadcast industry was nowhere more evident than at a subsequent session that GWSC called for the press to answer questions raised by Turner. Jonathan Hayes, typically cautious in his remarks, gave his strongest statement when he said, "How can we get equal time with a guy who shoots his mouth off." He later told CABLEAGE he hopes this head-to-head confrontation will not continue, but "it's up to him."

Responding to Turner's description of GWSC's planned provision of regional news from 24 television stations as "insane—any story big enough to be a regional story is a national story," NewsChannels president S. William Scott attacked Turner's concept of allowing the systems themselves to supply local news—running national weather

in cases where the systems don't use the time: "Whatever the local operator wants to do, Turner won't get involved in that. We're assuming excellent quality from Group W and ABC." He said some 15 regions are now lined up and NewsChannels, is deciding between as many as three station applicants in remaining areas. On the other side of the coin is a reported hostile reaction to the service from some ABC-TV affiliates.

Turner, who first gave word of his planned second news service in an interview over Cable News Network itself—after *The Atlanta Journal* broke the story—said CNN is budgeted at \$3 million a month and is losing \$1 million a month, compared with \$2 million a year ago. In 14 months, he said, it has achieved a penetration of 30 per cent of cable homes. He later said at the press conference that CNN lost about \$10 million last year and will lose \$3 million to \$4 million this year. He pointed out, though, that "superstation" WTBS has a positive cash flow of some \$23 million this year, and that should reach \$40 million to \$50 million next year.

Turner said the second network should have an annual budget of about \$15 million and later told CABLEAGE the second service could be handled without any significant staff additions. He reported he is slating the service to begin on Westar III exactly at midnight before the coming year and will start promoting it in September with part of a \$50 million promotional budget for the two news services. He noted that NewsChannels has a \$10 million promotional budget.

To counter NewsChannels' free service, Turner asserted he would buy back local advertising time on CNN I at 10 cents a month. The service costs 15 cents to those who also get WTBS and 20 without it: "It'll only cost the chiselers in the business a nickel." The second service would be free to those that take CNN I.

## Italy's big gun considers new cable endeavor

RAI Corp. is considering a U.S. venture that would supply Italian programming to U.S. cable systems, Umberto Bonetti, executive vice president tells CABLEAGE. In Italy, "Mama RAI," owned by the government, controls most of the broadcast scene, including three networks. The RAI venture here, with access to a large amount of programming from Italy, would be directly competitive with Studio I, a service of Volani Broadcasting Co. using product from independents in Italy and delivered mostly by Westar III in time leased from

Satellite Programming Network.

Bonetti discloses that, if the decision is made to go ahead, programming could be ready for the U.S. market in a few months. He says it has not been decided whether the yet unnamed service would be transmitted as a network or bicycled by cassette to the few systems that have a heavy ethnic Italian following or a culturally oriented viewership.

There would be enough programming available for three or four hours a week, according to Bonetti, all dubbed into English, including movies, documentaries, interviews and news. The RAI-produced programming, he notes, could be shown as either a weekly block or as a daily program.

The tentative idea now is to pay for time on the systems and sell advertising, Bonetti notes. Studio I is also advertiser supported. He reports some pilot presentations already have been prepared.

## CableScope, Buffalo gives Movie Channel top spot over HBO

Following a survey showing heavier subscriber demand for The Movie Channel than for Home Box Office, CableScope of Buffalo has moved the former to the HBO spot on Channel 5, making it possible for homes to receive it without a converter. The former 12-channel system had about 30,000 pay subscribers before it installed Oak TC-35 converters last March, and some 3,000 subscribers now have converters in their homes, according to David Cahn, the system's vice president of marketing.

With 25,000 HBO subscribers before the upgrading, which brought in both Showtime and TMC, the system got some indications from subscribers without converters that they preferred services other than HBO, Cahn notes. So it assigned National Marketing Associates to conduct a survey of 100 subscribers each of the three pay services and another 100 who were subscribers to both HBO and TMC.

Asked what single service they would recommend to new subscribers, only 47 of HBO subscribers named that service, while 76 of TMC subscribers named their own service. Of the dual subscribers, 71 picked TMC versus 19 HBO. HBO was introduced in May, 1978; Showtime in April, 1980; and TMC in March, 1981.

Both HBO and Showtime can be received with converters as part of the system's SuperCable package. Cahn says that, when HBO goes 24 hours next January, he expects to relaunch it as "the all-new HBO." He points out that

most subscribers with the two services are retaining both.

Inquiries generally related to new installations or addition of service are coming in at a rate of about 1,000 an hour, he notes, and, "Within the next month, we could generate about 4,000 new subscribers and 8,000 new pay units." Of the 3,000 homes currently with converters, about 2,000 are multi-pay, he adds.

## Rainbow deal with Playboy ties up 'bunny'

The agreement between Rainbow Programming Services and Playboy Enterprises to gradually convert the Escapade adult service into The Playboy Channel will mean that other pay services, such as Showtime, will no longer receive product from Playboy, according to W. Russell Barry, president of Playboy Productions. Gerard A. Maglio, Rainbow president, says the Playboy entry initially will start as a bonus feature in January, 1982 and gradually be expanded until the service is no longer identified as Escapade.

"We do not want to participate in just an occasional supplier role," says Barry. "We will deal with material that is conceptually consistent with the magazine." He adds that *Playboy* has a female readership of 35-40 per cent and that The Playboy Channel probably will skew even more heavily toward women.



**All ears—and eyes—were those at the Eastern Show witnessing the formal launch of the Rainbow/Playboy merged programming service. L. to r., Bunny April, Rainbow's Gerard A. Maglio, Playboy Productions' W. Russell Barry and Bunny Daiva.**

The service becomes a 50-50 ownership proposition between Rainbow and Playboy. Escapade, as of July, was in 120,000 subscriber homes in 50 systems, according to Maglio, and 115 systems are now preparing to launch the service. The total of all 165 systems represents a homes-passed universe of 7.5 million. Maglio says there are no plans at this time to raise the fee for the service. There will be no direct promotion of Playboy ventures on the service, he notes, except "some indirectly through association."

Barry says the service ultimately will involve 45-50 per cent original production. Escapade is in Comstar D-2, transponder 4B.

## C-SPAN to move onto RCA's Cablenet I in Jan.

C-SPAN will move off the USA Network and onto a transponder of RCA's Cablenet 1 next January, according to Brian P. Lamb, president of C-SPAN.

C-SPAN's current contract with USA expires in August, 1982, and it will continue to lease 10-12 hours a day from the network until that time. C-SPAN is shopping for its own transponder to allow expanded Congressional coverage. "Early in 1982, our hours of operation will at least double, which will allow us to reach the valuable primetime audience," Lamb says. "In addition, we will program seven days a week."

Lamb also says that, should the Senate decide to televise its sessions, C-SPAN will carry the House and Senate on a consecutive same-day basis—one live and the other on video tape.

## North American Newstime acquires the Womens Channel

North American Newstime has acquired the Womens Channel from Southern Syndicated Systems and has initiated a new program format. Says North American program manager Art Collier, "Our commitment to news will remain, but we want to add variety in our programming and reach out for special audiences."

Newstime will deliver a 10 minute package of farm and home news during the morning from 6 to 10 ET which will be rotated with the standard news package of Newstime. During mid-day from 10 a.m. until 9 p.m., the Newstime world and national news package will rotate with a 10 minute summary of

business and financial news. The Womens Channel programming will be edited into 10 minute segments to rotate with news from 9 p.m. until 6 a.m. "This is the first time Agriculture, business and womens news have received regular daily coverage on national television," Collier adds.

Collier also says North American has concluded agreements with the Christian Science Monitor and Dr. Ron Pion, noted medical broadcaster from Los Angeles. The correspondents of the Monitor will report daily on various news topics and Dr. Pion will discuss timely medical news and information.

According to Newstime president James Uglum, the system can now be of great interest to national advertisers. With the service's color transmission, a subscriber base of nearly one million, and programs tailored for the special interest groups of agriculture, business and women, Newstime is a very cost effective medium, Uglum says.

## Software symposium will feature top industry execs

Cable industry leaders will participate in more than two dozen panels and general sessions at the Cable Software Symposium and Exposition. Designed to serve as a software shopping center, the symposium, scheduled in New Orleans October 4-6, recently expanded its exhibit space from 25,000 to 30,000 square feet.

Panel and workshop participants include Al Gilliland, president of GillCable and NCTA's chairman of the board; William Bresnan, president, Teleprompter; Bob Alter, president, Cable Television Advertising Bureau; Ted Rogers, vice chairman and chief executive officer, Rogers Cablevision; Trygve Myhrer, president, ATC, and Kay Klopovitz, president, USA Network.

Also, Jack Schneider, president, Warner Amex Satellite Entertainment, John Goddard, president, Viacom Communications; Ed Bleier, executive vice president, Warner Brothers Television; Dave Bell, president, Bell and Associates; Greg Liptak, executive vice president, Times Mirror; Lucy Salhany, vice president of programming, Taft Broadcasting, and Jeff Reiss, president, Reiss and Associates.

"There will be in-depth examination and analysis of every cable programming issue, from profitable programming ideas to cable text services, regional interconnects, sports programs, addressability and much more," says Jerry Maglio, president of CTAM and Rainbow Productions. Sessions on Monday

and Tuesday include a "supply and demand" look at cable programming economics in major sessions titled *Proven Revenue Streams; Programming for Profit and Investment or Expense: Programming with Unproven Services.*

The closing general session on October 6, *A View of Tomorrow*, will examine what lies ahead for cable programming in a series of debates on key program policy issues like affiliate compensation, adult programming and vertical versus multiple format channels.

## Galavision responds to viewer requests for program updates

In an attempt to design its programming around viewers' interests and preferences, Galavision has altered its programming schedule beginning in September. The new schedule will offer viewers a different feature each day of the week.

Monday evenings will be highlighted by *Festival del Cine de Oro Mexicano*, a new series of classic Mexican films. Airing the second Tuesday of every month will be classic theatrical productions; every third Tuesday will feature *Cine de Terror* (Terror Cinema), a series of horror films.

An expanded selection of miniseries will highlight the Wednesday evening roster, while Thursday will continue as Galavision's sports night with the premiere of *Deportes de Gala* (Gala Sports). The weekend will be highlighted by Friday evening movies; *Espectacular* (Spectacular), a new addition to Galavision's selection of specials, on the last Saturday of every month, and a brand new Sunday afternoon offering of family entertainment.

"We welcome feedback from subscribers," says Sylvia Lyon, director of programming. "Every month, our program guide contains a note soliciting viewers' comments on our programming."

## New interview series, 13 foreign features head CBS Cable acquisitions

A new interview series called *Signature*, 13 foreign feature films never seen before on American television, a new production of *Macbeth*, and George Balanchine's production of Robert Schumann's Gothic ballet, *Davidstundlertanze*, are being prepared for introduction on CBS Cable, debuting next month.

Unique about *Signature*, a half-hour

interview series to air each weekday, is that its only props will be chair, rug and a white wall. The interviewer will be off camera, with attention focused on the guest. Already slated to appear are novelist Ann Beattie; Gordon Parks, photographer/composer; John Irving, Viveca Lindfors, Joe Papp, Jules Feiffer and John Lindsay. CBS Cable describes the interviews as "direct," exploring hidden motivation and crucial moments which shaped the lives and careers of the guests.

The 13 foreign features which CBS Cable will air on a once-per-week basis are esoteric works by such masters as Fellini, Kurosawa, Herzog, Fassbinder, Chagrol, Wajda, Olmi, Bertolucci and Drach. Most have won international awards and none has been seen on U.S. television. Titles include *The Spider's Stratagem*, *Orchestra Rehearsal*, *The Clowns*, *Man of Marble*, *Les Violons du Bal* and *Aguirre: Wrath of God*. All will be subtitled especially for television.

The Royal Shakespeare Company's *Macbeth*, starring Ian McKellen in the title role and Judi Dench as Lady Macbeth, is a newly staged version of the Shakespeare classic intimately photographed for television, directed by Trevor Nunn.

Balanchine's *Davidstundlertanze* will appear on CBS Cable's one-hour dance program with principals of the New York City Ballet, including Karin von Aroldingen, Suzanne Farrell, Jacques d'Amboise, Ib Andersen and Peter Martins. The ballet is composed for four couples in a haunting Gothic setting with Schumann's romantic score.

## WOR to air telecourse on child development, 'John Davidson Show'

Beginning September 12 and 13 from 7:30 to 8 a.m. ET, and for 14 subsequent weekends, superstation WOR-TV will broadcast *The Growing Years*, a television course that traces how and why children develop the way they do. Viewers may be eligible to receive college credit for watching the series.

Topics include heredity and environment, prenatal development, and growing infant, nutrition, preschool mental and social development, and adolescent personality and mental development. Childhood development experts who were invited in the planning and production of the program will be featured regularly on the series.

Offering the course for credit are Bergen Community College, Brookdale Community College, College of New Rochelle, Community College of Philadelphia, Delaware Technical Community College, Dutchess Community

College, Essex County College, Gloucester Community College, Mercer County College, Middlesex County College, Niagara County Community College, Ocean County College, Passaic County Community College, Poughkeepsie Community College, University of Bridgeport and Westchester County College.

WOR will also begin airing *The John Davidson Show* beginning September 14 at 11 a.m. ET. Special regular features on the hour-long show include cooking tips from noted chef Tell Erhardt, valuable makeup demonstrations by beauty expert Jerome Alexander, and advice from marriage and family counselor Dr. Laura Schlessinger.

### **VEU of Oklahoma City to televise three OSU football games this fall**

Golden West Entertainment's VEU subscription television service in Oklahoma City has signed a contract with Oklahoma State University to televise three OSU football games like this fall. It is the first pay TV agreement ever signed by the Big 8 school in Oklahoma.

Subject to NCAA approval, the televised games are Nebraska at OSU, November 7, Kansas State at OSU, November 14 and Oklahoma University at OSU, November 28, according to George Hicks, vice president and general manager of VEU in Oklahoma City.

Telecasts will be offered to subscribers at a combined price of \$20, Hicks says. Golden West is also considering a promotional discount.

### **DET planning to cover 11 black college football games this fall**

Black Entertainment Television has announced its schedule of 11 college football games to be sent by satellite to some 715 cable systems, Fridays from 11 p.m. to 2 a.m. EST, via the USA Network on RCA Satcom 1, transponder 9 this fall.

The schedule kicks off Sept. 18 with Grambling State vs. Alcorn State, followed by North Carolina A&T vs. South Carolina State, Sept. 25; Norfolk State vs. Elizabeth City State, Oct. 2; South Carolina State vs. Alcorn State, Oct. 9; North Carolina A&T vs. Mississippi Valley State, Oct. 16; Norfolk State vs. Hampton Institute, Oct. 23; Grambling vs. Jackson State, Oct. 30; Texas Southern vs. Grambling, Nov. 6; Alcorn State vs. Mississippi Valley State, Nov. 13; Grambling vs. South Carolina State, Nov. 20, and Grambling vs. Texas

Southern, Nov. 27 (The Bayou Classic).

Charlie Neal and Lem Barney will handle play-by-play and commentary.

### **Warner Amex expands program services in 10 systems**

Warner Amex Cable Communications will offer new satellite-delivered program services this month to subscribers in several of its systems across the U.S.

Since March, more than 30 systems have launched new program services including HBO, Nickelodean/ARTS, MTV, Cable News Network, ESPN, USA, Appalachian Community Service Network, CBN, WOR-TV New York and WGN-TV Chicago.

Nearly 50 Warner Amex systems are expected to enhance their program services by the end of the year.

### **Nickelodeon buys 68 half hours of Thames' 'Tomorrow People'**

Nickelodeon has acquired from Thames Television 68 half-hour episodes of *Tomorrow People*, a new action science fiction series for children. The program is based on the idea that man will evolve in years to come into a being called "homo superior." These advanced beings, or "Tomorrow People," will have special powers to do good and fight evil. Working out of an abandoned London underground house, the *Tomorrow People* travel from the center of the earth to outer space, crossing barriers of time and into alien dimensions to pit their special powers against a galaxy of "baddies."

D.L. Taffner/Limited is U.S. agent for Thames Television.

### **Rodale Press retains video specialist-consultant to develop cable programs**

Rodale Press, publisher of natural lifestyle books and periodicals, has retained Fox/Lorber Associates, video specialists/consultants, to develop and market cable programming.

Fox/Lorber will help launch *Home Dynamics*, a 13-part series; explore co-production opportunities with cable programming services to draw on Rodale's life enrichment resources, and develop longterm strategies which will position the publisher in the cable and home video marketplace.

Rodale publishes *Prevention* magazine; *Organic Gardening*, *New Shelter*, *Bicycling*, *The Executive Fitness News-*

*letter* and will soon be represented by *Spring*, a women's lifestyle magazine.

### **Fremantle will distribute 'Nana' and 'Hamlet' to cable networks**

Fremantle Corp. has acquired two properties which it will be distributing to cable networks. One is *Nana*, based on the Emile Zola classic, filmed on location in France. The other is a full-length *Hamlet*, with Ian McKellen in the title role.

Fremantle currently has properties running HBO, Cinemax, Warner-Amex, Cable News Network and USA.

### **'Money Matters' features wide range of financial tips**

HBO will introduce on October 13 at 7:30 p.m. ET an exclusive documentary special, *Money Matters*, a potpourri of money-saving and money-making ideas. "*Money Matters*, in the tradition of such exclusive video magazine specials as *Sports Illustrated*, the *Consumer Reports Presents* series and the forthcoming *Ms. Magazine*, draws from the professional counselors, as well as articles from *Money Magazine*," says Iris Dugow, vice president special programming. "The information program will treat subscribers to practical ways to manage their money in inflationary times."

Produced in association with *Money Magazine*, the 60-minute special features a wide range of financial suggestions, from tips on income tax savings and investment ideas in collectibles and the money market to ways to beat the high cost of dating. *Money Matters* also highlights a personal approach to the stock market run by inexperienced, but successful, career women and housewives; advises travelers on a reasonably priced way to have an adventurous vacation; offers counsel on retirement planning, and reveals to job hunters a hot tip that 60,000 employers are actively recruiting male and female secretaries.

### **USA Network increases 1981 collegiate football coverage by 50 per cent**

USA Network's coverage of collegiate football in 1981 will see more than a 50 per cent increase over last year. September's schedule kicks off on the sixth with Florida at Miami and Louisville at Florida State.

## Warner Amex offers public access training classes; grant to WCET

Free classes in the use of public access cable TV equipment and production techniques will be offered to Greater Cincinnati citizens by Warner Amex Cable Communications beginning this fall. Training will encompass camera operations, sound, lighting, editing and video tape recording.

Classes will be held on Wednesday evenings from 7 to 9:30 p.m., according to vice president and general manager Robert D. Towe. Tentative sites include Westwood, North Avondale and Pleasant Ridge.

Warner Amex of Greater Cincinnati has also awarded a grant totaling \$153,503 to WCET, Cincinnati's public television station.

The funds will be used for the acquisition of cable-oriented origination and production equipment to be housed at the WCET studios.

The grant will enable WCET to expand its service via cable. "This grant," says Towe, "will insure that WCET will be ready on September 1 with four simultaneous instructional channels on Warner Amex systems."

## Guardian Productions forms new concert division for national presentations

The Spring/Posse/Guardian Productions group has formed a new concert division to present major, legitimate Broadway-oriented concert attractions nationally via satellite delivery. The new division will be headed by Julie Rifkind. Plans include scheduling concert attractions in New York and Los Angeles as well as national and international tours.

Given the shortage of name artists who can fill Broadway theaters and other major showcases for talent, Guardian Productions feels that its knowledge of recording acts, combined with the revived interest in live presentations, should give the new division a strong head start.

Guardian Productions is the parent company of Spring and Posse Records. The label has produced hit records for Millie Jackson, the Fatback Band and Joe Simon.

An incorrect address was given for **UTV Cable Network** in a listing of exhibitors at the Eastern Cable Show, printed in the August 10 issue of *CABLEAGE*. The correct address is 22-08 Route 208, Fairlawn, N.J. 07410. Phone: (201) 794-3660.

# Marketing

## Tiering revenue gets an assist from addressability

Addressability reportedly is a big boon in selling additional pay services. Three system operators bore witness to the fact at the recent Boston convention of the Cable Television Administration and Marketing Society in a panel labeled "Marketing, Tiering and Addressability."

In its new Nashville system, Viacom Cablevision is selling its top-priced package at \$31.95 to 80 per cent of its customers, according to Pat Thompson, director of marketing, and 30 per cent are adding on Cinemax, which started on the system a month ago. The Nashville operation, although it had some initial equipment failures, is generally finding the Oak Total Control 35-channel system a major boon in bringing customers on and upgrading services with ease, Thompson reports. He adds that less than 1 per cent of the 14,500 customer base has downgraded.

Thompson reported the system decided to carry the Leonard-Hearns fight on a pay-per-visit basis not so much because of the profit potential but because, "It's the sizzle to reinforce our product. People are going to invite their friends over, and that's going to introduce our product to them."

Even though adding and deleting of services is simpler with addressability, the Nashville system has a \$14.95 charge for any change in services except downgrading.

In fact, the one-time upgrading or switching of service charge can be regarded as a profit center in itself, according to Robert Hosfeldt, vice president, Gill Cable. He told those at the seminar that his San Jose system makes \$1,000 a day on a \$5 switching charge. He also confirmed Thompson's promise on the promotional value of major events. He pointed out the main reaction to the 54-second Norton-Cooney fight on HBO was the large number of people subsequently calling in to add the pay service. As to carrying Leonard-Hearns on a pay-per-view basis: "If it doesn't work, we'll wait until the second coming and try again."

Gill has four pay services—HBO, Showtime, The Movie Channel and its own Rendezvous adult channel. Hosfeldt reported plans to end the varied pricing and discounts involved in the three movie services and price them each at \$11.95 no matter how many are bought.

The biggest problem with the Oak

TC-35 addressable converters has been getting enough of them, according to Hosfeldt. He pointed out Gill would have a minimum of 40,000 in the field if it could get delivery.

Giving a significantly different perspective on addressability and tiering was Tom Hunt, vice president of marketing at International Cable in the Buffalo, N.Y. area, which upgraded a 90,000-subscriber, mature, 12-channel system with a Jerrold converter. Hunt said subscribers are financing the \$100 converters through a \$3.50 monthly charge for the box. New services and old are now offered through an a la carte concept under the umbrella name of Supercable.

Services thus are offered by type—such as "The Sports Connection," which consists of ESPN and the USA Network and "The Family Connection," six services on four channels.

The price for all possible services comes to \$63 a month if there were no discount, but consumers can buy everything for \$49.50, which 9 per cent do so far. The average customer reportedly takes 2.2 services at \$30.08. Fifteen per cent of subscribers take the sports package only at \$5.75 and 11 per cent take Escapade at \$10.75. Hunt also reported 5 per cent of subscribers a month are upgrading at an average additional charge of \$10 a month. Upgrade orders are being taken at promotional events and in shopping malls, and about 400 of them were brought in at a recent county fair.

In addition, International Cable is selling a "season ticket" to 33 hockey games for \$40. It will continue to have 20 games on basic, compared to the usual 25. It will sell commercials during six breaks in the pay service, and Hunt feels that, because of the natural breaks, there will be no negative response, as he expects there would be in a movie service.

## Galavision affiliates to receive promo help for previews

Galavision will sponsor its third National Free Preview on September 24-26. Specially-designed bilingual marketing materials have been prepared to assist affiliates in promoting the preview locally. Materials will be tailored to individual systems and include direct mail pieces, newspaper advertisements, 30- and 60-second radio and television spots, press releases, local origination crawls, premiums and a new Galavision

poster bearing phrase "Open your door to the stars with Galavision."

Galavision will also support affiliates' local campaigns through national television advertising on SIN National Spanish Television. The network will air an array of programming during the preview.

Approximately one-third of Galavision's current affiliates plan to participate in the preview, including two new systems: Warner Amex in Flagstaff, Ariz. and Storer Cable in Phoenix, which will be launching Galavision for the first time.

A sweepstakes will highlight the preview, the network reports. Prizes range from an all-expense paid, three-day trip to Acapulco for two, to a color television set, cameras and record albums. The drawing takes place October 10 at Galavision's West Coast regional office in Los Angeles.

### **Times Mirror highlights Spotlight programming with Robert Goulet promos**

Spotlight, the programming service of Times Mirror, recently taped a series of promotion spots featuring Robert Goulet at United Video Services.

With a two-camera set-up, Goulet advised Spotlight viewers of programming highlights.

### **NEPCN names Cabot as advertising, PR agency**

New England Prime Cable Network, which will bring the PRISM programming format to cable subscribers this fall, has appointed Harold Cabot & Co. as its advertising and public relations agency, reports Ron Ryan, president.

series.

*The Wall Street Journal Evening News* will consist of two-minute segments with special emphasis on the business news as it affects consumers. Initially, the segments will be seen at 7:28 and 7:58 p.m. ET and in a late night floating slot. In October, the first nightly segment will shift to 6:58 p.m. ET.

In addition, Fiat, Universal Pictures and Maybelline have purchased time on USA's sporting events, reports Jeff Lawenda, vice president of advertising sales and commercial program development.

Fiat is represented by Benton & Bowles; Universal Pictures by Doyle Dane Bernbach, and Maybelline by Lake-Spiro-Shurman.

### **USA Network takes over sales duties for English Channel**

The USA Network has initiated a "comfortable and smooth transition" for assuming the advertising sales duties of the English Channel and other network services, according to Jeff Lawenda, vice president of advertising sales and commercial program development. Lawenda says the USA sales staff had been working with the English Channel staff all along, but will now be solely responsible for soliciting new advertisers.

The switch was made to ensure the "most effective pricing and inventory control," Lawenda says. "It will eliminate confusion on the part of the advertising community. We can now more effectively communicate exactly the way we want to position the USA Network," he adds.

Because the English Channel staff did such an excellent job in the past, USA will continue to work with it in the future, Lawenda adds.

### **ESPN/Dial-It National Sports Poll registers fans opinions**

ESPN is formulating questions that it deems of greatest interest to the sports public and allowing viewers to register their choice via a national 900 phone number in the ESPN/Dial-It National Sports Poll. The so-derived opinions of America's sports fans are announced as a regular feature of ESPN's *Sports-Center*.

Questions will generally be presented on the Friday evening edition of *Sports-Center*, 7:00 p.m. ET, with results announced at the same time on the Monday edition. The cost to the caller is 50 cents.

## **Advertising**

### **Affil ad assistance could dry up ESPN revenue source**

Entertainment and Sports Programming Network apparently sees affiliate use of local advertising availabilities as integral to its long-term success. In a new program to help affiliates sell local time, it could be cut off some short-term revenue of its own. According to James J. Cavazzini, vice president, affiliate and consumer marketing, ESPN has been using unfilled local avails for its own per-inquiry advertising from advertisers not requiring a full national exposure but willing to pay for what they sell as a result of the exposure.

Cavazzini says ESPN has done well on this advertising because of the particular responsiveness of its audience. But, if more systems use their local avails, ESPN will be getting less of this revenue. But the rationale is that affiliates selling advertising against ESPN will do a better job of promoting it. Key to the drive to aid affiliate sales is ESPN's new Local Advertising Book, essentially a primer in ad sales. The book covers such aspects as rate cards, co-op advertising, hiring of sales personnel, sales pitches and understanding cost-per-1,000. Cavazzini says it cost \$15-\$20 per copy to produce and will be sent to affiliates having or planning advertising programs plus others requesting it. Of 2,300 ESPN affiliates, he reports, some 250 are selling advertising time or installing equipment to begin a program.

In addition to the primer, ESPN has

two consultants available to assist affiliates—one on each coast, and it expects to participate in seminars with the Cabletelevision Advertising Bureau. On ESPN, three out of 10 minutes per hour go to affiliates.

ESPN is telling affiliates that a 1/4-inch commercial insertion operation is the most economically advisable and that playback equipment can cost from \$15,000 to \$100,000. Addressing the subject of the need for commercial production, ESPN points out that those systems with local origination facilities are so equipped, but others could work out relationships with local advertising agencies.

Cavazzini notes that, when ESPN sells a national franchise account, it will also offer to place ads for local franchises with affiliates, who will get the revenue.

### **St. Regis makes first cable buy on USA Network**

The St. Regis Paper Co. completed its first cable buy when it recently purchased half sponsorship in USA Network's *The Wall Street Journal Evening News*, a weeknight wrapup of business and economic development that premiered recently.

The St. Regis campaign will focus on the company's marketing and technological expertise in the field of paper, packaging and construction products. Toyota Motor Sales had earlier placed a similar half sponsorship schedule in the

## Nielsen reports cable penetration increases to 27.3%

Cable penetration rose to 27.3 per cent, or 21,930,490 homes in July, according to the latest A. C. Nielsen survey. This is a 3 per cent growth, accounting for 636,000 homes, since last May. Following are the top 50 markets in penetration and number of viewers:

### CABLE PENETRATION BY NSI DESIGNATED MARKET AREAS, JULY, 1981

DESIGNATED MARKET AREA	% PENE-TRA-TION JULY '81
Santa Barbra-SanMar-SanLuOb	79.2
San Angelo	77.9
Laredo	74.5
Parkersburg	73.0
Biloxi-Gulfport	72.3
Casper-Riverton	69.6
Beckley-Bluefield-Oak Hill	68.4
Johnstown-Altoona	68.1
Marquette	67.7
Lima	67.3
Monterey-Salinas	67.1
Clarksburg-Weston	67.1
Bakersfield	66.5
Odessa-Midland-Monahans	66.4
Yuma-El Centro	66.4
Roswell	66.0
Zanesville	62.8
Binghamton	62.8
Salisbury	62.2
Wilkes Barre-Scranton	62.1
Cheyenne-Scottsbluff-Sterling	61.8
Utica	61.6
Eureka	61.1
Greenwood	61.1
* Lafayette, Ind.	60.8
Abilene-Sweetwater	60.7
Wheeling-Steubenville	60.4
Gainesville	58.9
Twin Falls	58.2
Ft. Myers-Naples	57.7
Amarillo	57.3
Eugene	56.7

Glendive	56.2
* Bend, Ore.	55.8
Butte	55.5
San Diego	54.6
Waco-Temple	54.1
Charleston-Huntington	53.9
Ft. Smith	53.5
Tyler	53.2
Syracuse	52.9
Medford-Klamath Falls	52.5
Topeka	51.5
Macon	51.1
Presque Isle	51.0
Champaign & Springfield-Decatur	50.9
Mankato	50.5
West Palm Beach	50.4
Alexandria, La.	50.3
Chico-Redding	50.1

\* New DMA for 1981-1982

### TOP 50 DMAS RANKED BY CABLE TV HOUSEHOLDS, JULY, 1981

DESIGNATED MARKET AREA	CABLE TV HHs JULY '81
New York	1,418,940
Los Angeles, Palm Springs	779,130
San Francisco-Oakland	748,770
Philadelphia	639,720
Pittsburgh	532,540
San Diego	368,940
Seattle-Tacoma	349,860
Boston, Manchester, Worcester	337,260
Hartford & New Haven	312,970
Cleveland, Akron	295,350
Wilkes Barre-Scranton	287,310

Charleston-Huntington	258,460
Buffalo	246,070
Orlando-Daytona Beach	237,340
Syracuse, Elmira	233,720
Hburg-Lncstr-Leb-York	225,620
Atlanta	213,450
Columbus, O.	211,760
Albany-Schen.-Troy	210,000
Johnstown-Altoona	209,780
Tampa-St. Petersburg, Sarasota	240,020
Gr. Rapids-Kal-B.C.	198,460
Sacramento-Stockton	198,080
Kansas City	188,210
Houston	187,870
Indianapolis	179,310
Birmingham-Anniston	175,360
Washington, D.C.	172,070
W. Palm Beach-Ft. P.	166,890
Miami-Ft. Lauderdale	166,200
Dallas-Ft. Worth	165,990
Oklahoma City	165,850
Dayton	163,970
Tulsa	159,480
Champaign-Sp.-Dec.	158,340
Wichita-Hutchinson Plus	157,580
Raleigh-Durham	150,330
Shreveport	150,320
Toledo	148,960
Portland, Ore.	144,540
Chicago	140,530
Honolulu	138,260
Flint-Saginaw-Bay City	135,310
Norfolk-Portsmouth-N.N.	133,960
S. Barbra-S.M.-SLO	132,100
Mobile-Pensacola	131,490
Roanoke-Lynchburg	127,330
San Antonio	125,870
Greenville-Sp.-Ash.	124,100
Spokane	123,180

Source: A. C. Nielsen

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# Technology

## Control Com develops \$250 home security system

In what it claims is a major breakthrough in cable home security systems, Control Com has developed an advanced digital wireless home monitoring system that can be installed by a cable company operator or home security agency for \$250, according to executive vice president James Crocker.

With the advanced microprocessor digital technology developed by Control Com, the system's home monitor is designed for fast, simple installation, Crocker says. The low labor costs translate directly into a more affordable home security package.

Crocker says the system is designed to interface with most two-way addressable converters or home terminals as well as digital dialers for use on telephone lines.

## Oak sells Orion satellite scrambling system to CSC

Canadian Satellite Communications Inc. (CSC) will use Oak Industries' Orion satellite signal scrambling system to broadcast commercial television programming in a scrambled mode via satellite to remote areas of Canada that have received little or no television.

Testing of the new network is currently underway and regular broadcasting is scheduled to begin late this year.

CSC's initial purchase order for the Orion system, introduced by Oak last year, amounts to \$8 million (U.S.). Oak says theirs is the first commercial system for satellite signal scrambling. Orion consists of signal encoders, which scramble signals broadcast from a transmitter to a satellite, and decoders, which unscramble the signal from the satellite at earth receiving stations.

At the receiving stations the signals will be unscrambled and distributed via cable systems, low power television systems or directly to remote homes of individual viewers.

Under the government license, CSC is required to scramble its transmissions and make them individually addressable so that only authorized distributors and remote households will receive the satellite programs. The service initially will consist of four television and eight radio programs for which the distributors will pay \$4 per month per subscriber.

## C-COR conducts latest in series of SCAT seminars

The latest in a series of C-COR Electronics SCAT seminars, designed to acquaint cable engineers and systems operators with C-COR's new strand-mounted addressable converter system, was recently presented. The seminar involved a description and demonstration of the SCAT (Security Conversion Addressability Tiering) system, a discussion of SCAT installation considerations and a technical review.

A feature of the seminar was an operating 400 MHz CATV distribution system consisting of a 20-trunk station cascade plus a bridger and two line extenders. The cascade was installed in an environmental chamber which was cycled from cold (-20 degree F) to hot (+120 degree F) during the one-day seminar.

In addition, C-COR has agreed to provide Warner Amex Cable Communications with more than \$6 million worth of cable television distribution electronics for the balance of 1981 and 1982. The general supply contract will provide equipment for Dallas, greater St. Louis, Mesquite, Tex., Pittsburgh, Cincinnati, greater Cincinnati and other locations.

All systems will be multiple cable with two-way active transmission. C-COR will also provide system design services.

## Viacom Cablevision of Long Island chosen for videotext testing

Viacom Cablevision of Long Island has been chosen by the NCTA to become a test cable system for videotext services. The NCTA is conducting the tests in order to set up a standard for the videotext industry to use when designing systems. The tests will help determine how well the services work on microwave and cable systems.

James O. Robbins, vice president and general manager of Viacom Cablevision of Long Island says the system was chosen because of its extensive plant mileage (1,500 aerial, 400 underground) and because the system relays signals via microwave and cable.

Bob Lee, Viacom system engineer, explains the technical nature of the tests: "The bit rate, or number of bits per second, determines the speed at which the data hits the terminal and therefore the amount of information that can be

accessed. The testing will be helpful in setting up standards for bit rate and pulse shape in a typical system. The system is using the vertical interval of the local origination channel for the tests."

## CBS Cable to transmit in full stereo sound

CBS Cable will transmit its audio signal to cable systems in full stereophonic sound in addition to conventional monaural transmission when the cultural program service debuts October 12, according to Sid Kaufman, vice president of operations.

"The stereo channel, with full Dolby noise reduction, will be transmitted to cable systems on the 5.8 MHz subcarrier," Kaufman says. "An FM receiver connection at the cable customer's location, supplied by the cable operator, will make CBS Cable programming in stereo available on a standard FM stereo receiver."

The stereophonic system was adapted by Kaufman and Don McGraw, director of CBS cable engineering and development.

## Tele-Engineering Corp. develops third generation PVS-100 switching system

Tele-Engineering Corp. has expanded its line of programmable video switching equipment with the third generation PVS-100. The unit consists of a rack-mounted time programmable microcomputer which receives program



**PVS-100 switching system** has 1000 programmable events storage, with optional expansion capability to 10,000 events per week.

commands from a small remote control and display unit (RD-3) and output switching commands to multiple switch modules up to 100 by 100 channel matrix switch, with one second switching resolution.

The PVS-100 allows programming by real cable channel numbers with desig-

nated source selection and time of switch as the programmable variables. The unit lists all switching events per day or per week sorted by cable channel.

## **TOCOM expanding Matamoros, Mexico, Brownsville plants**

TOCOM reports it has completed negotiations for the addition of a new 25,000 square foot, \$700,000 manufacturing and testing facility in Matamoros, Mexico, and is expecting to move its Brownsville, Tex. plant from its existing 9,300 square foot facility to a 25,000 square foot building.

The Matamoros facility will initially be used for production and testing of the TOCOM 55 Plus addressable terminal. Expansion of the plant, which is scheduled to be completed next month, will increase TOCOM's manufacturing facilities in Matamoros from 12,000 to 37,000 square feet. Current labor forces will increase from 200 to 600.

TOCOM is anticipating continued rapid growth during the coming year due to the introduction of its 55 Plus product line, according to Fred Burton, vice president of operations. "We expect that by this time next year we will have negotiated for an additional 25,000 square feet of manufacturing space," Burton adds.

The new Brownsville plant will be used for warehouse space, incoming quality assurance and manufacturing. The move is scheduled to be completed soon.

## **S.A.L. Cable opens western sales/warehouse office**

S.A.L. Cable Communications, Inc. recently opened a sales office/warehouse in Los Angeles to maximize the servicing efficiency of customers in that region.

The 20,000 square foot complex will handle all of S.A.L.'s sales, warehousing and shipping operations in California and the western states. West coast operations manager Ed Frankfort will head the new office.

The complex will be on-line via computer with S.A.L.'s other warehouses in the U.S., giving the new outlet immediate access to items inventoried at other S.A.L. locations.

## **Belden introduces new seven-conductor TV camera cable**

Belden Corp. has introduced a new seven-conductor TV camera cable for

electronic news gathering and closed-circuit TV applications. The UL-listed siamese configuration, Belden 9165, consists of a single coaxial cable for video requirements, and three shielded twisted pairs for intercom, microphone and other hookups.



**Belden's new seven-conductor TV camera cable, Belden 9165, is designed for electronic news gathering and closed-circuit TV applications.**

The cable is 100 per cent sweep-tested, Belden says. The three twisted pairs, each with its own color-coded Beld-foil aluminum foil-film shield and drain wire, utilize color-coded vinyl-insulated 22-ga. conductors.

Overall dimensions of black vinyl-jacketed siamese construction, which passes the VW-1 vertical flame test, are 0.576 by 0.314 inches. Standard putups are 500 and 1,000 feet, with respective trade prices of \$292.50 and \$585.

## **Cable TV Industries signs \$5 million contract with Jerrold, AM Cable TV**

Cable TV Industries has signed contracts with Jerrold Electronics and AM Cable TV Industries to supply more than \$5 million worth of aerial construction material for use in building cable systems.

Mark A. Engler, Cable TV president says, "We expect the volume of cable systems construction to continue to grow and result in an increase in our sales to these companies above contract levels, with an even more positive impact on year end results."

Cable TV Industries earlier this year expanded the range of products it distributes to include earth stations, satellite receivers, master antennae and other electronics products manufactured by Scientific Atlanta.

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## Networks

### New affiliate signings announced during cable shows

A series of new affiliate agreements have been announced, many timed for the recent Eastern Cable Show and Convention in Atlanta and the fifth annual conference of the Cable Television Administration and Marketing Society, held in Boston.

The most active programming service in these announcements was Showtime. Cox Cable Communications made a commitment to expand its affiliation with Showtime to achieve at least 150,000 Showtime subscribers by next year. In addition to the 11 Cox systems Showtime now serves, Cox's Ocala, Fla. system will introduce the service on October 1, 1981. Ocala passes 19,000 homes and serves 15,000 basic subscribers.

Telecable Inc., a subsidiary of Landmark Communications, has agreed to introduce Showtime into its systems currently under construction. The multi-pay systems, scheduled to be completed within the next 18 months, will pass 115,000 homes. Showtime expects to serve a potential of 60,000 homes in Arlington, Tex. and 55,000 homes in Springfield, Mo., a Telecable system presently serving 15,000 homes passed.

Tele-Media Co. has elected to introduce Showtime into cable systems serving 18 communities in Pennsylvania and Ohio. A Tele-Media system under construction in the Cleveland area will offer five pay services to 30,000 homes.

Omni Cable Television will launch Showtime in 15 states passing more than 110,000 homes. In addition, Western Louisiana Video has converted 11 of its systems to Showtime.

New England Prime Cable Network (PRISM New England) signed seven MSOs to carry programming of the recently formed regional pay cable network.

The seven MSOs include: Times Mirror, American Cablesystems, United Cable, Greater Media, Bay Cable Affiliates, Cablevision Service Co. of New Hampshire and Century Communications. Also, Cablevision of Milford, Mass., an independent cable operator, intends to carry the network. The MSOs represent more than 300,000 subscribers in the New England area. New systems from these companies will add approximately 170,000 additional cable subscribers during the next 24 to 36 months.

Modern Satellite Network has increased its total affiliates to 530 with a subscriber base surpassing four million, the network reports. Network vice president and director Jay Campbell says that MSN has signed 50 new systems serving more than 350,000 subscribers since May. The largest of those systems is Ft. Lauderdale, Fla. with 26,000 subscribers.

Warner Amex Satellite Entertainment Co. has signed affiliation agreements for its three program services with Omni Cable Television Corp., covering 16 states. Omni will carry The Movie Channel in 60 systems, Nickelodeon in 66 and MTV: Music Television in 42.

Appalachian Community Service Network (ACSN) passed the one million household subscriber mark when it signed ATC's Cablevision of Charlotte, N.C.

### Showtime increases rates to systems; high retail pushed

Showtime is informing its affiliates of a rate increase effective March 1, 1982, in which systems charging at least \$10.95 retail will get decreased rates. According to Showtime, lower churn has been experienced among consumers paying higher prices—obviously a matter of perceived value.

Mike Weinblatt, president, reports this is the first increase since Showtime went on satellite March 7, 1978. The rates will still be lower than those charged by Home Box Office, Showtime contends. Rates continue to be based on what viewers are charged. For example, if the retail price is \$6.95, Showtime will up its rate to the operator from \$3.70 to \$3.90. At \$9.95 retail, it goes from \$4.60 to \$4.70. The reversal point is at \$10.95, where the charge is reduced from \$5 to \$4.80.

As for volume discounts, they are 3 per cent with 500 to 2,499 Showtime subscribers, 5 per cent from 2,500 to 4,999, 8 per cent from 5,000 to 9,999 and 12 per cent from 10,000 to 19,999.

Weinblatt also reports Showtime is lowering its rates in the hotel/motel business in order to become a bigger force in that area. Previously hotels and motels were charged, based on number of rooms, a minimum of \$3. Home Box Office had been charging a flat fee of \$2.75. Showtime, effective this month, is charging \$2.65 per viewer, regardless of the number of rooms in the hotel or motel.

## No staff changes is word on takeover of USA Network

Kay Koplovitz, president of USA Network, and Time Inc., the latter which recently agreed to acquire the half of the network owned by UA-Columbia, reportedly have given assurances that no changes in personnel are expected to result of the acquisition, according to USA Network sources. They indicate there will be a few weeks to wait for the other shoe to drop: Paramount Pictures Corp. has the option to buy the half of USA owned by Madison Square Garden Productions. Paramount and MSG are autonomous subsidiaries of Gulf and Western Industries.

UA-Columbia reports the sale to Time, which will put the latter in its first advertiser-supported network, was for \$15 million in cash. Time is expected to buy the remaining half if Paramount does not exercise its option.

## Mass. system features triple trunk, 166-channel capacity

The new Bellingham, Mass. cable system will feature addressable converters, a triple-trunk plant with a 166-channel capacity including 58 public channels and a bi-communications institutional network. Southern Massachusetts Cablevision plans to provide the town with a full-color regional studio and a mobile production unit for use in local-origination programming.

Southern Massachusetts Cablevision franchises in Hopedale and Medway, Mass., which are contiguous to Bellingham, will be combined with the new system into a regional cable television and communications system. The area has a population of over 30,000, with more than 9,000 homes passed.

The cable company plans to design a microwave network joining all of the municipalities where it is licensed, to provide for shared programming and interconnect of town departments.

## Houston system three years ahead of completion schedule

Construction of Houston Cable TV's 1,100 mile system in the northwest quadrant of Houston has proceeded at such a rapid pace that the system is now expected to be completed early next

year—three years ahead of schedule.

Fifty per cent of the system has been completed and nearly 30 per cent of the 155,000 households are able to subscribe to cable service, according to Bruce M. Massey, vice president and general manager of Houston Cable. "We are overwhelmed with requests for service and our rate of subscriptions has exceeded our highest expectations," Massey says. "We are adding thousands of new subs each month and we expect to be serving more than 65,000 subscribers during 1982."

Massey says Houston Cable will soon offer subscribers Warner Amex's QUBE interactive services. In addition, interactive services such as information retrieval, home banking and home shopping will also be available. Current programming now offered includes The Movie Channel, HBO and Showtime.

## Wilmington, Del. takes PRISM service section by section

After nearly a five-year wait, the Wilmington, Del. market has received PRISM programming. Because it was deemed impossible to simultaneously provide the service to New Castle County's more than 65,000 households presently wired for cable, the area has been divided into four sections each averaging approximately 15,000 homes.

Rollins Cablevision will install subscribers one section at a time until the entire system has been serviced, according to system manager Bill Farrell. Local advertising has been scheduled to coincide with PRISM's launch date, advising residents when their area will be served.

## Heritage Communications acquires first California operation through merger

Heritage Communications has acquired through a merger CATV West, Inc., a California cable television company. CATV West is currently building a 54-channel cable system in South El Monte, Calif., and is an applicant for franchises in El Monte, Compton and Los Angeles County, Calif.

CATV West has been owned by William Sinkunas, who will remain with the firm as its president. This operation marks Heritage's first in California. Says Heritage president James S. Cownie, "We expect that this will be the first of several ventures in that state."

## Estes Park Cable TV purchases Colorado system from Liberty

Liberty Communications Co., owner of the cable system serving Estes Park, Colo., has been purchased by Estes Park Cable TV Co., a partnership headed by Wayne Unze, president of Sunwest Media and former executive vice president of Mickelson Media, Inc.

Other partners include M. Crawford Clark, Kansas City-based radio station operator; John Shideler, first vice president of Alf M. Landon Radio Stations and Estes Park president, and Carl Occhionero, president of Colorado Cablevision, a Denver-based MSO.

Estes Park currently serves 700 basic and 150 HBO subscribers and passes more than 2,000 homes. A complete rebuild of the system is planned, with expansion to 19 channels and two pay services.

Prior to closing the purchase with Liberty, Unze negotiated a new, 15-year franchise with the town of Estes Park.

## Warner Amex signing up Dallas apartment units for new service

The owners of 10,000 Dallas apartment units have completed agreements for Warner Amex cable service. Warner Amex will offer an 80-channel interactive entertainment and information QUBE service in Dallas sometime in early 1982.

Initial activities have centered in the central Dallas area and the first right of entry agreement was signed by the Parc Regency Apartments, reports Dick Davis, general manager of Warner Amex in Dallas. "Additional service agreements are now being signed throughout the city," Davis says.

## Essex Group acquires Lapeer Cable TV from W. H. Communications

The Essex Group, a Connecticut-based MSO, has acquired Lapeer Cable TV of Lapeer, Mich. from W. H. Communications of Bloomfield Hills, Mich. The Lapeer system presently serves 1,000 basic subscribers, more than half of whom receive a pay service.

The system, which currently passes 2,450 homes, will be operated as part of the 8,000 subscriber Great Lakes Cable group. Plans are underway now to expand the Lapeer system into the adjoining townships of Elba and Oregon.

The Essex Group now operates 35 cable systems in six states and serves approximately 42,000 subscribers to date.

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# Wall Street Report

## FCB International continues expansion pace set in '80.

**FCB International**, a subsidiary of Foote, Cone & Belding Communications, continued in 1981 the pace of international expansion it set in 1980, by acquiring Mediom, a Montreal advertising agency serving the Quebec market and by opening up an office in Lisbon. Mediom, acquired in January of this year, will be merged into Publicité FCB, the firm's subsidiary in Montreal. The new agency will have billings of \$2.8 million. In Portugal, the new outpost of FCB, opened in August, will be called Publicidade Lda. and will be a joint venture a FCB, which holds a majority interest, and Emino, a Portuguese group.

In 1980, FCB merged Spasm, a Melbourne ad agency, with its office there to form FCB/Spasm; merged Arce & Potti Advertising with offices in Madrid and Barcelona, Spain to form Arce/FCB; acquired a 45 per cent interest in Uniconsult, Berlin's largest ad agency; and acquired Deutsch, Shea & Evans, a leading recruitment ad agency in New York.

## Passed billion dollar mark in November

**In November**, the firm passed the billion dollar mark in annual worldwide billings for the first time, going on to close out the year with \$1.2 billion in that column. Domestically, the company's revenues and operating profit also surpassed all previous levels, reaching \$164.7 million and \$11.4 million, respectively, compared to \$137.4 million and \$9.7 million in 1979. This amounted to a 16.6 per cent gain in revenues and a 19.9 per cent gain in operating profits. Per-share earnings in 1980 were \$4.19 as opposed to \$3.73 in 1979, an increase of 12.3 per cent on a greater number of shares outstanding.

The first quarter of 1981 saw FCB achieve higher revenues but lower profits, a result the company attributed to the impact of inflation. Net profit for the first three months of 1981 was \$1.1 million, compared to \$1.6 million in the comparable period in 1980, a drop of 32.9 per cent.

Per-share earnings for the quarter declined from 59 cents in 1980 to 39 cents in 1981, a decline of 33.9 per cent. FCB achieved a 7.4 per cent increase in revenues in quarter-to-quarter comparisons, posting \$38.4 million in 1981 versus \$35.8 million in 1980. U.S. volume was said to be up 9 per cent, non-U.S. up 4.5 per cent.

## Foote, Cone & Belding Communications, Inc. and subsidiaries

### Consolidated statements of income

	Years Ended December 31		
	1980	1979	1978
Revenues	\$164,743,148	\$137,426,756	\$110,443,824
Operating expenses	\$142,404,838	\$118,037,134	\$94,302,478
Pre-tax income	\$22,338,310	\$19,389,622	\$16,141,346
Provision for federal, foreign and state income taxes	11,486,000	9,919,000	8,480,000
Income from operations	\$11,357,732	\$9,740,880	\$7,764,761
Extraordinary gain on sale of investment net of applicable income taxes	—	3,295,875	568,263
Net Income	\$11,357,732	\$13,036,755	\$8,333,024

## Income drops in first half

**For the six months** ended, June 30, 1981, FCB's net income was just under \$4 million, a 26.8 per cent drop from the \$5.4 million for the comparable period of 1980. Revenues for the first half of 1981 increased 5.8 per cent from \$78.1 million in '80 to \$82.7 million.

In July, FCB upped its investment in Tempo/FCB in Sao Paulo, Brazil, from 49 per cent to 69 per cent, and early in the year, Jennings & Thompson, Phoenix, was sold to avoid client conflicts. Discounting the effects of these deals, first quarter revenues would have increased 6.7 per cent, FCB said.

Despite the lower first quarter earnings, Arthur W. Schultz, chief executive office of the firm, predicted that the agency would make "satisfactory gains in profits for 1981."

the most proof-of-purchase items and local dealer "bonus points." Bonus points serve the same function as p-o-p items but do not require any expenditure of cash, such as validation for test-driving a new car. The contest continues for 13 or 17 week cycles—longer than most radio campaigns these days. Each club is given a cash award proportional to its performance, typically ranging from \$2,500 to \$26,000. Ideally, all four corners of the CCA scheme—station, advertiser, dealer and local clubs not to mention CCA—derive benefits from it.

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**CCA has its own regionalized sales force and doesn't depend on rep firm involvement, though it is welcomed.**

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Roughly 90 per cent of CCA's campaigns over the past 29 years have been conducted with radio stations, according to president and founder John Gilmore, with the program exclusive to one station in each market. The remaining 10 per cent have involved newspapers or TV stations. The number of participating media outlets has stabilized at about 100 in recent years, he adds. Interestingly, heavy on-air promotion of the contest and/or of participating dealers is not part of the CCA game plan.

For its efforts in providing the contest format, sales help, printed materials and other logistical support, the company collects 15 per cent of each station's net advertising revenues during the weeks that the contest is in progress—after the club cash awards and any ad agency commissions have been paid. The ad revenues and the cash value of proof-of-purchase materials turned in by eager club members can be remarkably high. For example, KXL-AM-FM Portland, Ore., logged spot sales of \$175,000 to \$200,000 above normal from December 15, 1980, through April 15 of this year, according to general manager Ray Watson—much higher than the normally expected amount of first quarter revenues. Moreover, truckloads of box tops, bottle caps, etc. were furnished by frenzied female fans, worth some \$30 million in retail sales, he says. The average per station is \$2,832,000, according to Gilmore. Watson terms the CCA program, now in its ninth year at KXL, a

"phenomenal success."

Group station owner Mike Oatman of Great Empire Broadcasting estimates that the typical campaign on any one of his 10 stations increases first quarter gross revenues by 20 per cent, and net revenues by 12 to 13 per cent after the costs of prize money, running the campaign, etc., have been deducted.

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**First quarter emphasis**

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About 90 per cent of the CCA radio campaigns happen during the first quarter, Gilmore adds. Typically, initial "kick-off" meetings are held during September and October, he says. Buyer's guides listing the products of participating sponsors are generally distributed during November, prompting club members, he maintains, to stock up on the products for Christmas or New Year's festivities, or gift-giving. The actual campaign normally begins on January 1, giving a shot in the arm to first quarter ad sales.

Besides boosting billings, the CCA plan is designed to aid the participating media outlet in other ways: by trying to increase audience size in the face of growing competition, trying to build listener loyalty, trying to make local retailers' cash registers ring, and snaring credit for doing so.

Most participating stations are located in small-to-medium markets, Gilmore acknowledges, with a disproportionate share in the Midwest. Most participating consumers are said to be "middle class" and many belong to Catholic membership organizations.

CCA has its own regionalized sales force and doesn't depend on rep firm involvement, though it is welcomed. Commenting from the rep standpoint, Eastman Radio president Bill Burton says, "We consider merchandising to be an adjunct to a sound media campaign. Ninety per cent of all media merchandising, however, is probably unsuccessful, often due to a breakdown of communications or a lack of clearly stated goals from the advertiser. Radio stations often feel put upon; being forced to give away 'freebies.' The 10 per cent of merchandising campaigns that are successful are because the advertiser's needs are well explained and well carried through."

Because the optimum duration of a merchandising campaign is considerably longer than the typical radio advertising flight, Gilmore makes much of the fact that participating in CCA can help stretch out the lengths of radio campaigns.

Though his company may not grow dramatically in the years ahead, Gilmore is confident that there will be no appreciable drop-off, either. □

stations carry commercials they don't like or that offend them (18.7 per cent of general population; 15.8 per cent of contemporary) the objection was most often to the *presentation* of the commercials, as opposed to the kind of commercial or the content.

"'Irritating,'" says Soffer, "was a word that came up much more often than 'offensive.' They would bring up things like 'it hammers away at you.' We did run into people who objected to the way women are treated in commercials; and there were people who felt commercials insulted their intelligence; and there are some people who are bothered by commercials, period."

Roy Morgan, president and general manager of WILK Wilkes Barre, was chairman of the Contemporary network affiliate board when the issue of offensive commercials was first broached with ABC. He recalls that, "the board was rather upset with the preponderance of

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**"'Irritating,'" says SRI's Norma Soffer, was a word that came up much more often than 'offensive'."**

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jock itch, acne and feminine product commercials. Most of these commercials were rather blunt. Some members of the board wanted to know, 'how much do these types of commercials hurt us?' I don't think the board was as much concerned about the products as they were about how the products were sold."

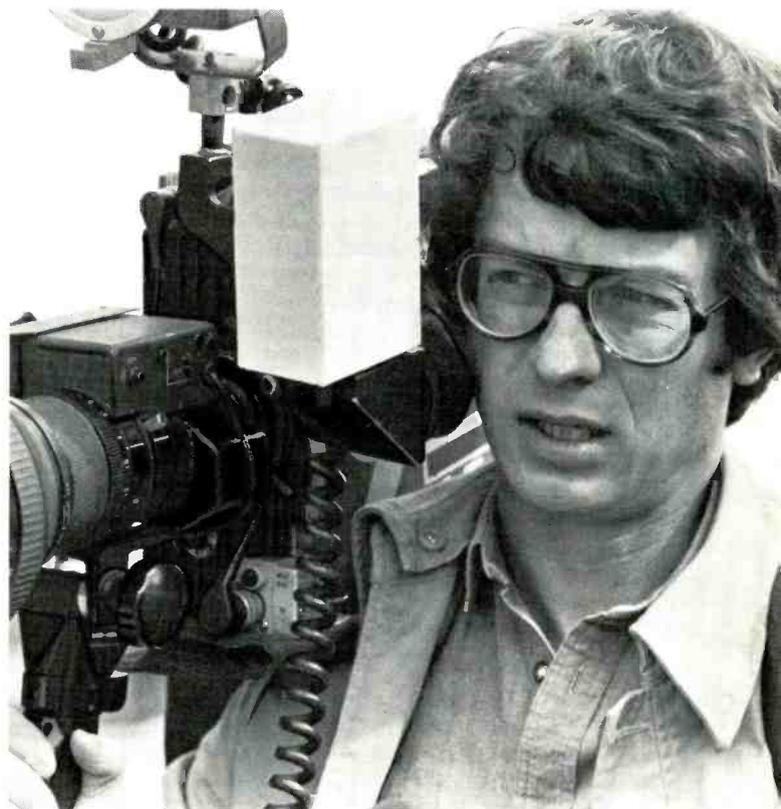
Ed Dunbar, executive vice president and general manager of WBBQ, a Contemporary affiliate in Augusta, Ga., feels it "was gratifying to see that the results of the research turned out the way they did. I didn't have a great deal of concern," he continues, "but some of our members did. I think ABC sensed some of those conversations and made a conscious effort at the agency level to improve things."

At WOW Omaha, Jim Eddens, vice president and general manager, says that, despite the findings, he has a "continuing concern about objectionable commercials." He includes in that category, "feminine hygiene commercials, certain patent medicines, disco commercials and jock itch commercials." However, he adds that, "I think ABC has taken a firm stance in limiting the number of possibly objectionable commercials it runs." □

# THEY OPENED OUR EYES.



KING-TV, Seattle; News Photography Station of the Year.



Bob Tews, KBTU, Denver; TV News Photographer of the Year.

## The 1980 NPPA Winners.

It's easy to see why Bob Tews of KBTU, Denver, has won the 1980 Kodak Ernie Crisp Award for TV News Photographer of the Year. His stories are meticulously crafted and compelling. By preferring a sequence of shots over camera moves and trying to let the public see and hear a story happening, his work involves the viewer. Working with his writer-producer wife, Susan Tews, he comprised an entry of nine stories. They ranged from a police shooting to a wildcatter's search for oil. Every story had stunning dramatic impact.

For the second time in three years, KING-TV, Seattle, was chosen as the News Photography Station of the Year. Their coverage of the Mt. St. Helens eruption was news coverage at its absolute best. The volcano films (shot in part on

Eastman Ektachrome video news film 7240) were crisp and sharp. And showed the teamwork with which KING-5 News camera crews work. Teamwork and the sincere ability to really care about their work have made KING-TV number one... again.

Eastman Kodak Company congratulates Bob Tews and KING-TV. In a world where much of what we look at is only a fraction of what we see, these people took that closer look and brought us the world they saw. Congratulations for a job well done.

Eastman Kodak Company, Motion Picture and Audio-visual Markets Division, Rochester, N.Y. 14650.



*America's  
Storyteller*

**Analysis systems** (from page 58)

Mini-Pak with TeleRep we used to have to rewrite all our national orders and translate it on a work sheet or into BIAS. Now the orders come in on our printer, already automatically typed up, from TeleRep."

WCIX salesman Ken Reichner credits SESAMI with "generating many different kinds of numbers for us, and it makes adjustments quickly. For instance, if I'm working up a set of avails that calls for seasonally adjusting each of six different demographic breaks, all I do is type in about eight characters on the keyboard. That's against the 10 or 15 minutes you'd have to spend to get PUT shares for each demographic, trying to do it by hand."

In Philadelphia WTAF-TV has been on Mini-Pak for four weeks and sales assistant Lisa Szeliga says: Instead of typing avails I pull sales planners. Basically, a planner is a list of rating books and programs and demographics our sales people want to look at for an account. You can call up a year's worth of books, plus one. For each program there may be anywhere from one to seven comments—mostly comparing that show to the other shows in the market.

"The computer prints this all up on paper in a flash. Then the salesman just

circles which books and which programs he wants for his presentation sheet, and which comments he wants included for each program choice. For each item, all I have to do is type a three or four character code into the key board. And if you make a mistake, it's self-correcting. That is, if you enter the wrong code characters, the machine won't accept it."

Describing how SESAMI is used at WSB-TV in Atlanta, Garwood explains that the ratings books are processed through Mini-Pak at TeleRep, "and we access the information from them. Our research director reviews the material for appropriate alterations. We use the same system for local sales as TeleRep uses for our national sales. That's because, as an ABC station, we have strong demographics, so we'll want to look at our audience shares in a way that will put the spotlight on our higher proportion of young adults, rather than just straight household shares. To translate every program we carry from households to young adults would take a week if we had to do it manually. This way, we can do it all in one day."

One complaint about Mini-Pak was voiced by Protter at KPLR-TV: "The only thing wrong with it is that it's not interfaced with BIAS. The hope is that both Mini-Pak and DCC will wake up one

day soon and connect. Sure, DDC says they can already do this by hooking BIAS into their own Buy Line system. But our rep and most other reps already have Mini-Pak in most of their offices."

Similarly, in Houston, KPRC's Jeff Lee says "Buy Line would be an even better product if the original agreement between DCC and Mini-Pak to interface hadn't fallen through. As originally planned, an interface between the two would have allowed a Petry researcher to input everything back to us. But the arrangement did fall through, so now we're stuck with a double input system.

"First, Petry inputs everything from the new books into Mini-Pak, and DCC has to keep a person in Petry's office to relay it all into Buy Line. That means a week or so lag before we get all our updated information back. For Houston that lag occurs six times a year for Arbitron and five times a year for Nielsen, every time a new book comes out. But after that, once we finally get all our new statistics in, it all works fine."

At KFMB-TV, San Diego, Moylan explains that "Right now we input most of our requests ourselves. But hopefully the day will come when Buy Line is tied into our rep like Mini-Pak is, so that all the raw data used by both Petry and by us is the same. Then the only difference would be that Petry might use a different rationale to sell *M\*A\*S\*H* to General Foods than the comments we would choose to sell *M\*A\*S\*H* to a furniture store here in San Diego."

**Instant input needed**

Bower says that Mini-Pak would like to reopen conversations with DCC, looking toward interface with BIAS. Bower believes that "We should now be able to agree on a connection that allows our computer to talk to their computer—just as we'll be doing with Jefferson Data Systems, and probably eventually with other people's broadcast traffic systems too."

Such a connection would permit instant direct input of confirmed orders from the SESAMI system into Jefferson's traffic/accounting system—and into BIAS, if agreement with DCC can be reached—at the push of a button.

Bower says that the previous arrangement to interface with BIAS fell apart because "DCC would not depart from a system under which the total data base of all our rep customers had to be centered in DCC's Memphis computers. Our rep customers were concerned about all this control centered in one place."

DCC said that the original attempt at a link-up with Mini-Pak failed "because each party felt that they wanted to pursue computerization of broadcasting functions with the stress on their own

...mmrrph...cle...stic...mmphh...ful this fine Monday morning. And now turning to the Radio Advertising News, a November 1980 Harvey Research, Personal Interview Study reveals that 80% of agency and advertiser executives use SRDS Spot Radio Rates and Data more than any other broadcast reference publication. With that kind of use and readership it makes sense to this reporter for radio stations to advertise in SRDS Spot Radio Rates and Data today. *Harvey Study copies available from your SRDS representative.*

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particular areas of expertise." For DCC, with 201 TV stations and 54 radio stations on BIAS, that meant primary emphasis on the needs of stations.

In Richmond, WXEX's Devereaux says that one advantage he sees in DCC's Buy Line is that "It's the avails part of a combined and coordinated avails and traffic system that includes the electronic mail communications feature for those stations on Buy Line that are represented by HRP. Another is that we look to our rep, whoever it is, to sell our time to advertisers rather than selling a particular computer system to us."

Another Buy Line advantage Devereaux explains, "is that it keeps a station's local availabilities separate and distinct from your national avails. Not that there are any secrets between a station and its rep, but there are advantages to being able to sell our local inventory differently."

The other thing Devereaux likes about Buy Line is "the flexibility it gives us to override the specific numbers in the computer and substitute others." He points to the plan to put *Rockford* in at 11:30 p.m. "But Buy Line's current data base goes back only to May '80. We've had no police-action show in that time period since we had *Rookies* in there back in 1978. The system allows us to input audience projections based on what *Rookies* used to deliver in that time slot, as reported in the May '78 book." □

## Interfaith award



A. James Ebel, president and general manager of KOLN-TV Lincoln and KGIN-TV Grand Island, will receive the 1981 Faith and Freedom award of the Religious Heritage of America. Presentation will be October 12 in Atlanta.

## Satellites (from page 53)

other syndicated product is handled.

Shaughnessy is not spelling out at this time how the music format will be shaped, but he feels it must provide room for local participation. Localism is very much a concern of the station people interviewed, with most maintaining that the use of a national service—especially on a 24-hour basis—will defeat one of radio's key commercial commodities: local identity. Fred E. Walker, president of Insilco Broadcasting, while applauding the satellite technology as an exciting distribution tool, says radio broadcasters are not in the business of simply being a conduit for a national programming service.

William P. Eaton, Jr., vice president at Lin Broadcasting Corp., worries that local control and flavor will be heavily diminished if a nationally-supplied format is used. "But," he adds, "I've been told that a station can cut in and out at various times, and that the only thing that you wouldn't localize would be the music."

The satellite program suppliers assert that there are plenty of opportunities for the station to keep its local identity and control. ABC's Sklar says the talk show format is designed specifically not to

ignore local input. "We have worked out, after long research, a format that will be compatible in the local markets and allow a local station to break in at predetermined intervals."

He adds that the station can elect to rejoin the service manually or by an automatic cueing device. Basically, all the satellite systems have similar technical tune-in, tune-out devices to maintain a seamless air sound.

Continental Radio, a subsidiary of Christian Broadcasting, which is gearing for a September 15 satellite distribution start, has up to 12-and-a-half minutes per hour designated for local station use. And, according to a CR spokesman, the time may be employed for local commercials, station promos, local weather and news, etc. CR charges the same fee as SMN—\$1,000 per month—and gets three minutes each hour for national sale.

CR's 24-hour service will concentrate on adult contemporary music, including a portion (about 25 per cent) being devoted to contemporary Christian music performed by popular contemporary artists. At SMN, Williams denies broadcaster charges that national programming on satellite means the loss of localism and station control over programming. "We can make the formats

...82° under sunny skies at 2:05. And now turning to the Radio Advertising News, a November 1980 Harvey Research, Personal Interview Study reveals that 81% of agency and advertiser executives use SRDS Spot Radio Rates and Data when selecting individual radio stations for national and regional advertising campaigns. With that kind of timely use, it makes sense to this reporter for radio stations to advertise in SRDS Spot Radio Rates and Data today. *Harvey Study copies available from your SRDS representative.*

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sound local by quickly adjusting to what is catching on in the marketplace. In addition, there are three three-minute optional breaks every hour for local stations to exercise programming control," points out Williams.

Williams feels that SMN's personality lineup in its country and adult contemporary formats are the kind of super deejays that are recognized throughout the country and yet represent a cross-section of the U.S. that will appeal to specific areas. The lineup includes former station jocks from Kansas City, Chicago, Denver, Washington and St. Petersburg, for its country format. For StarStation, personalities come from stations from Rochester to Chicago to Kansas City and points west.

One method being plugged by some of the programmers to keep the local control visible is to have stations stay with local shows during morning drivetime. Dwight Case, president of Sunbelt Communications, which formed a subsidiary, the Sunbelt Broadcasting Group, to set up a full-service music operation, is recommending that stations keep their early morning drivetime. He believes that stations need the three or four a.m. hours as a local station service.

The new service, Transtar Radio Network, is due to blast off on October

15 with a 57-station lineup, and "still counting," notes Case. Many of the outlets have their own earth stations. Transtar is getting a combination of cash and barter, but the deal differs depending on what the market size is. Stations that are in the top 25 markets get paid for one spot per hour; subscribers that are in markets 26-50 get the service in exchange for one commercial minute per hour; and affiliates that are below the top 50 are charged a \$1,000 monthly fee, and the network takes one national minute per hour.

The newest newcomer to the live program-by-satellite scene, United Stations, is also de-emphasizing its morning drive role. However, Verbitsky adds, United Stations will provide a morning drivetime that will be "super" for those stations requesting it. He continues that the station's decision will hinge probably on the owner's competition in the market. "If the affiliate is not doing well, I imagine he'll take it. In some cases the station does better in the afternoon and weekends than it does in morning drive."

Meanwhile, the station people contacted are playing a waiting game on affiliating with any of the services. Jim Arcara, executive vice president, radio, at Capital Cities Communications, says

that he wants a format to build a successful pattern before he's ready to take the programming-by-satellite plunge. "I can visualize the time when some of our stations will utilize part or all of a 24-hour program, but it's too early for us to do so at this time."

Bert Sherwood, a partner in the consulting firm of Sherwood-Hennies Associates, Chicago, believes that syndication-by-satellite is "all right, perhaps, in a three-station market, where it gives the station a professional sound and makes it seem like a large market property. But it would sound like others if a format had to compete against 10 or 12 other stations in the same market."

### Some top 15 markets

Nevertheless, Transtar's Case notes that his affiliate list represents "some markets in the top 15, and after that it's spread out." SMN's Williams says that several affiliates are from good-sized markets including Seattle and Salt Lake City. And United Stations' Verbitsky adds the company's goal is to sign stations in major markets as well as those in the lower rung.

SMN claims stations in major markets can save as much as \$300,000 per year in salaries by lopping off a program director, five deejays and some other personnel. Estimated projected savings in a small market are \$67,000 per annum, if a station links up with SMN.

Skeptics among the stations say the figures haven't been proven as yet. Gary Stevens, president of Doubleday Broadcasting, notes that any form of automation is not necessarily a cost-saver. "The only way automation saves money is if the station playing the format is a simulcast operation, combining AM and FM." Insilco Broadcasting's Walker says, "it's highly unlikely that savings for affiliated stations can be as large as some of the programmers are claiming." There simply aren't that many hands to feed in the first place, so how can the salaries be eliminated? I know in our case, we don't have that many.

Notes consultant Sherwood, "If a station loses 20-30 commercial spots a day, at \$20 a spot, it stands to give up about \$40,000 in business annually." But Stanley D. Bush, president and general manager at KSXX Salt Lake City, which has installed a receiving dish to broadcast SMN's adult contemporary format, sees things differently. "My reduction in inventory is about 14 per cent daily. Previously, my programming called for 14 commercial minutes, and now it will be 12 for local and two national. Of course, any spot loss is predicated on the assumption that the station is sold out. Most stations aren't." □

charts this week.

And now turning to the Radio Advertising News, a November 1980 Harvey Research, Personal Interview Study reveals that 75% of agency executives use SRDS Spot Radio Rates and Data when selecting individual radio markets for national and regional advertising campaigns. With that kind of timely use, it makes sense to this reporter for radio stations to advertise in SRDS Spot Radio Rates and Data today. *Harvey Study copies available from your SRDS representative."*

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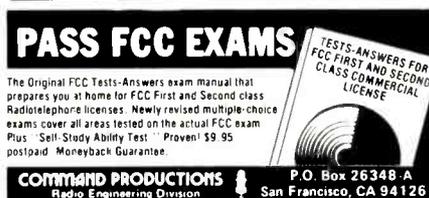
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## Network news (from page 56)

push to invest in network news?

Burnett says it has been a phenomenon that has been developing slowly but steadily over the past year. "The average news rating is in the 9-11.5 range. So," he conjectures, "it's like buying insurance for a guaranteed 9-10 rating," one that is "non-preemptible" and also enables advertisers to avoid committing a sizable upfront investment in primetime. Such a strategy reduces the risk of "paying \$60-80,000 [per primetime 30] and getting a low rating." With network news, on the other hand, "they can come in and pay anywhere from \$25-30,000 and get a 10."

an hour." On the negative side, he says, is the possible impact on local news operations and station revenues.

Al Sanno, vice president and director of network TV programming at BBDO, believes that the addition of another half-hour of network news would expand the available inventory, and "the more inventory there is, the better off we are." Noting that when the primetime access rule first went into effect in 1971, it increased demand (and, therefore, rates) for the fewer network advertising positions, he expresses the hope that, if PTAR were to be repealed, the reverse effect might occur.

As to possible ways of reclaiming the time from affiliates, Sanno replies, "I

could possibly happen."

Under the broad guidelines of PTAR, network TV affiliates in the top 50 markets may carry no more than three hours of network or syndicated off-network adult-oriented programming during primetime.

NBC's petition asking the FCC to repeal PTAR was a comment on a previous petition submitted by Chronicle Broadcasting Co., owner of KRON-TV San Francisco, an NBC affiliate. Chronicle had asked the commission to open a rulemaking looking toward repeal of that portion of PTAR dealing with the carriage of off-network re-runs.

## PTAR: barrier to nets?

NBC said that lifting the whole rule "is particularly necessary because the present rule works against the public interest by acting as a barrier to the ability of NBC or other networks to offer a one-hour early evening national news program to affiliates."

The petition also noted that Chairman Mark Fowler, in a statement in another proceeding, had advocated instituting a rulemaking designed to abolish PTAR. The statement was joined in by Commissioners Robert E. Lee, James Quello and Joseph Fogarty.

Fred Paxton, president of WPSD-TV Paducah and chairman of the NBC affiliates board, comments that his organization "will fight [PTAR repeal] in Washington at the FCC." He says the impact of returning the prime access period to the networks would be to "uproot programming that is local in nature and to displace the audience" built for it. "Stations buy the syndicated product sometimes a year or more in advance," he notes, and affiliates are concerned about safeguarding their investments. While local programming in the access slot has been slow to develop, he concedes, it is beginning to take root. *PM Magazine*, which involves some local origination, is now being carried on 104 stations and employs approximately 1,000 persons nationwide, Paxton claims.

"The networks talk about the great thirst for news," the NBC affiliate chief says, "but if they believe that strongly in [an hour-length newscast], they could start it next week by putting it in their own time. The reason they don't is that they prefer to have the entertainment programming there. And another reason they don't do it is that a news program put up against an entertainment program in primetime would lose. But the fact is, we have to decide whether we are arguing principles or audience levels and dollars."

James G. Babb, Jr., executive vice  
(continued on page 90)



**"The burgeoning news sources on television . . . have probably provided viewers with more access to news and information on television than ever before. And that's where people might want to go if they don't want to go with a traditional evening news broadcast."**

*Mike Drexler, Doyle Dane Bernbach*

FC&B's Manoff also puzzles the question. Noting, "You've got a September period that's sold out, starting to move across the fourth quarter," he points a finger at the writer's strike, which "caused the new season to dip into October." In network news, "you've got a period in which you could pay half the price [of primetime] and get the same kind of rating." More generally, he says, "I can't run away from the thought that, maybe, some of their (advertisers') thinking, to a minor degree, has to deal with pressure groups. Whereas, a pressure group can say about primetime that you can't be in *Dallas*, what can they say about being in the news?"

With interest among advertisers in network news on the rise, it is understandable that agency officials should by and large support the concept of an expanded evening news program, one hour in length.

Robert E. "Buck" Buchanan, executive vice president and U.S. media director of J. Walter Thompson U.S.A., states flatly that "the [primetime] access rule has been an absolute failure in terms of what it intended to do, which was to provide local production [opportunities to stations], rather than network feeds," in the time slot following the evening newscast. "It seems to me a very good solution, from the public's point of view, would be to expand the evening news to

don't know what they're going to do, because the affiliates are going to have a fit. What are they going to do with their local news programs? Is there going to be over two hours of [local and network] news in a row?"

## 'Stock split' blues

DDB's Drexler on balance says he would prefer an hour-long network newscast, incorporating the prime access period, to the kind of syndicated programming that generally has been inserted there by local stations. Citing the history of ABC's *Nightline*, he adds his belief that advertisers would be eager to participate in longer-format news. On the other hand, the media chief states, he is less optimistic about an accompanying drop in network rates. Initially, the prices will come down, "because it will take time [for the broadcast] to establish audience, and until you get the audience, you can't charge what you want to get for it. But as it begins to grow, it becomes like a stock split—initially it'll go down and then as the numbers start to go up, so do the prices."

FCB's Manoff puts any final action on PTAR repeal at least "a year to two years off. Even if the FCC repeals it, the networks are going to have to cut deals with their stations. So, at best, you're talking about October, 1982, before anything

# In the Picture



**Brian D. Meredith**

*New director of McCann-Erickson's international creative team in New York is a British-born copywriter who trained as a commercial artist. He still contributes cartoons to national magazines, both here and overseas.*

**Brian D. Meredith**, new director of the New York Team, one of the three international creative task forces of McCann-Erickson Worldwide, believes that the relationship between an agency's creative and research people should be as tight as possible. "We are our clients' voice," says Meredith, "and our researchers are their ears. If the ears and mouth don't work together, the communication may be loud, but it won't necessarily sell in the market place."

For much the same reason, Meredith observes that he has "more respect for those creative people and their product if they are good listeners themselves—rather than being great talkers gifted with a fine line of chat. The ability to listen well is much preferred to the ability to parade one's ego by spouting off on every occasion and non-occasion."

And though he sees less of it today than formerly, "fortunately for everybody's clients," Meredith still sees some advertising "where a strong product benefit gets hidden, because the people who made the advertising are still trying to impress other advertising people—in spite of the constant warning we all get to avoid falling into that trap."

Pre-supposing ability in one's craft, the kinds of associates Meredith looks for include "salespeople with vivid imaginations. What I am *not* interested in is poets waiting for inspiration to strike. I'm not looking for people whose goal is to use their talent to talk to their own colleagues, but people who can use their gifts to sell for our clients."

**Meredith himself** offers an interesting mix of creative gifts. Professionally he came up the advertising ranks through copywriting, but only after schooling as a commercial artist. And he still contributes cartoons to such publications as *Punch*, *Esquire* and *Private Eye*. He's also the author of a children's book, *Thank You Very Much, Up There . . .*

His New York Team handles creative for McCann offices outside the U.S. That means that the members of the Team are assigned to assist the creative people in McCann's Latin American offices "if and where they need it." The agency also has an Asia Team and a Euro Team to do the same job elsewhere.

Meredith's Team also makes all of the advertising that appears outside the U.S. for Coca-Cola and for some other McCann clients. That includes television, radio, print, point-of-purchase and advertising films appearing in cinemas. "What we prepare," explains Meredith, "is pattern advertising. It's kept flexible so that it can be adapted to local tastes by the people on the spot, in our offices in each different country."

**Unlike so many** American agency executives who seem to be coiled springs of gung-ho sales energy, British-born Meredith maintains the traditional English appearance of soft-spoken, low-key calm. But his view of the advertising business is the American one: that it is a business, and a serious one.

He illustrates this by pointing out "some general differences between advertising here and abroad." In Australia (where he joined McCann in October 1976 from J. Walter Thompson as group creative director of McCann's Sydney office) more of the advertising, he notes, "tends to be light hearted. A carefree attitude may be quite pleasant for those who have it. But, personally, I relate better to the earnestness of the usual U.S. approach to seeking solutions to advertising problems: Not that I'd want the tenseness of the furrowed-brow approach to show up in the advertising itself, as it sometimes does. But I prefer the U.S. attitude that it's vital that a piece of advertising be right before we put it on the air or into print."

The advertising business, believes Meredith, is one in which "We'd do ourselves a grave injustice if we weren't eager to keep learning all the time. I balk at working with people who are blase and cynical—who give the impression that they've already seen it all and already know everything there is to know. If you lay out a problem for them, their answer is likely to be, 'Roll out Plan 3-C.' That attitude can make our job seem far less fascinating than it should be. We may have to look fairly hard for it, but there's always room for a different and better solution to an advertising problem. Looking for that better solution—the hunt—is what makes our work interesting."

Network news (from page 88)

president of Jefferson-Pilot Broadcasting and chairman of the CBS affiliates advisory board, says that, after a discussion of the issue of a 45-minute newscast at the CBS affiliates meeting at the NAB Convention in Las Vegas last year, the matter was tabled. "And I don't think [the network] has given it much thought or study up until recent weeks." Babb states that network officials "have never given me any indication in any conversation we've ever had that they are desirous of recapturing the 7:30-8 p.m. time period."

Speculating upon why NBC decided

to take the lead position in pushing for PTAR repeal, Babb remarks, "They probably feel that this is the great equalizer for them. It puts them in the position of being aggressive and innovative and trying to do something different." Babb puts the chances of the abolition of PTAR at "no worse than 50-50. I think much of the case so far has been weighted in favor of repealing it," but he expects the tide to shift when the three affiliates organizations get the chance to make their pleadings.

Ward L. Huey, president of Belo Broadcasting Corp. and chairman of the ABC affiliates board of governors, expresses his objections in a slightly dif-

ferent manner. "With all the new technologies that are rapidly coming our way," he says, "the local television station is said to be protected primarily because of its localism. That being the case, we are extremely reluctant to give up two-and-a-half hours a week of very valuable primetime television, because—for whatever purpose it may be used—its value in the future is only going to increase."

Ed Fouhy, vice president and director of news for CBS News, believes firmly that an hour of evening network news is inevitable. "The long-term chances are excellent," he says. "It's obviously something whose time has come. We're ready to do it and the viewers clearly have an appetite for it. But short-term, I really don't know."

News 'conditioning'

Are there compelling reasons for the network to want to utilize the half-hour immediately following the network newscast? "I think we have conditioned generations of people starting with radio to expect a roundup of world news on the air in the time period roughly 6-7 p.m.," Fouhy states. "I'm a student of communications, and I think conditioning is very important."

Whether or not the CBS Evening News will go to a full hour in the near future, Fouhy notes that CBS News is presently adding a second radio network, with a news service, a half-hour of public affairs programming (Up to the Minute) every afternoon and a half-hour of hard news every morning, the last taking the form of an expansion of Morning with Charles Kuralt, which goes from 60 to 90 minutes on September 28.

David W. Burke, vice president and assistant to the president of ABC News, suspects that the realization of an expanded evening news "will occur all at once. Whether or not the elimination of the access rule brings it about is a separate issue" from its timeliness. He adds, "I don't know if an expanded news will take place in an atmosphere of us (the networks) versus them (the affiliates). It may be a far more orderly process with understandings and gives and takes on both sides."

He also maintains that the 6:30-7:30 p.m. slot is preferable to the 7:30-8:30 p.m.: "I think it's possible to say that in the evening there is a time for news and a time for entertainment."

Of the ABC News operation's fortunes, he remarks, "ABC News has altered the network news business irreversibly. When you have the three networks separated on a regular basis by almost less than a rating point, the business has been altered and will never be the same again." □



"I don't know if an expanded news will take place in an atmosphere of us (the networks) versus them (the affiliates). It may be a far more orderly process with understandings and gives and takes on both sides."

David Burke, ABC News

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# Inside the FCC

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*The National Broadcasting Co. recently filed a petition with the FCC to repeal the Prime Time Access Rule. The following comments are from the text of that petition.*

## **Chairman Fowler feels PTAR lacks public interest value**

The absence of any public interest foundation for PTAR has been recently recognized by Commission Chairman Fowler in a statement joined by Commissioners Lee, Quello, and Fogarty. Chairman Fowler said that: "One must seriously question . . . whether the program supply marketplace as it functions today has not completely eroded whatever public policy foundation and financial interests syndication and primetime access rules might ever have had. Our next step should be the institution of rulemaking proceedings looking towards the elimination of these rules."

Elimination of PTAR is consistent with the express deregulatory philosophy of the Commission and its commitment to strip away unnecessary and counterproductive regulation. Repeal would restore to individual stations the ability to choose programs that they believe will best attract and serve their audiences and free them from government imposed restraints on the program supply marketplace.

On July 17, 1981 Chronicle filed a Petition for Rulemaking to repeal that portion of PTAR which prevents stations from broadcasting off-network programs in access time. Chronicle makes many cogent arguments that in fact support the elimination of the rule.

## **NBC wants repeal of entire rule**

In light of the compelling need to eliminate PTAR, articulated so well by Chairman Fowler, NBC respectfully submits that the Commission should commence a proceeding looking to repeal of the entire rule and, quite logically, subsuming narrower questions such as the one raised by Chronicle.

A rulemaking to repeal PTAR also is mandated by the findings of the Commission's own network inquiry special staff. The special staff has concluded that PTAR has not achieved its articulated objectives, has not advanced the public interest, and should be repealed.

Expeditious action to repeal PTAR is particularly necessary because the present rule works against the public interest by acting as a barrier to the ability of NBC or other networks to offer a one-hour early evening national news program to affiliates. Clearly, it would be in the public interest to allow affiliates to broadcast enhanced network news programming, thus permitting in-depth coverage of certain important news events and inclusion of other stories for which there is no time at all in a half-hour format.

The thorough examination of the rule already undertaken and completed by the inquiry staff permits the Commission to take rapid action to eliminate PTAR. The special staff's findings came after an extensive two year inquiry, involving numerous interviews and analysis of voluminous data submitted by interested parties in the industry. With this record already in place, we believe that the Commission can promptly move to effectuate the staff's recommendations for repeal.

## **Reasons for PTAR don't hold up**

A brief review of pertinent portions of the special staff's reports reveals that the various arguments allegedly supporting PTAR were considered, analyzed, and rejected. Thus, the special staff found that PTAR was aimed at reducing supposed "network dominance" over primetime by prohibiting network affiliates from accepting network programs during one hour of the primetime period. In fact, however, there is no evidence that station clearances are anything but completely voluntary. In other words, as the staff put it in its supplier report, PTAR was based on the odd notion "that a station's discretion to select programs can be enhanced by limiting its choices . . . ."

Originally, in adopting PTAR, the Commission's "primary articulated purpose" was to foster the development of first-run syndication as an alternate source of primetime quality programs by providing suppliers with a one-hour period free from network competition." The Commission subsequently stated that PTAR was also aimed at "enhancing the ability of affiliated stations to ex-

# Inside the FCC

(continued)

ercise their own judgment in selecting programs.”

However, as the inquiry staff pointed out, neither of these objectives has been achieved, and there is no indication that PTAR serves the public interest. Thus, the staff found that the rule has not generated network quality programming in the access period. Nor, for the most part, has the rule induced stations to select anything but lower cost syndicated programs.

## No public interest ground for retention

**The inquiry staff** concluded that PTAR's failings result from “fundamental misapprehensions about the syndication market.” Underlying the rule was the assumption that network-quality programs are the result of the time periods in which the programs are broadcast, and that if network programs were barred from part of primetime, network-quality programs would replace them. The staff found that these assumptions have proved to be erroneous because, among other things, they ignored the fact that network-quality programs are made possible in part by the efficiencies and risk-bearing capabilities that result from a network's nationally interconnected, coordinated program schedule.

The only arguments that can be mounted in support of PTAR do not present any valid public interest reasons for retaining the rule. For example, it has been claimed that PTAR has resulted in an increased number of syndicators. Of course, the producers of almost all of the most popular access shows were already successful television producers before the adoption of PTAR. Moreover, as the inquiry staff pointed out, even assuming an increase in the number of companies engaged in syndication, or greater profitability for certain syndicators, diversity in programming or other public interest benefits do not follow.

Proponents of PTAR also have argued that various programs which stations now broadcast during the access period would not have been created absent PTAR. But this contention ignores the fact that current access fare and similar programs could continue to be offered even were the rule to be repealed.

## Stations should use own judgment

**Certainly stations** would remain free to broadcast such programs by exercising their own programming judgment in access time, as they do throughout the broadcast day.

The lack of justification for interfering with a free marketplace is underscored by the increase in the number of non-affiliated stations in existence today. The total number of stations now operating in the top 50 markets provides far more potential buyers for syndicators and far greater program diversity than ever before. Also of significance is the increased viability and market penetration of new program delivery systems, such as pay cable and STV.

Ultimately, if particular access programs that do not command great viewer interest should fail when faced with competition from highly popular network offerings, it would obviously be because audiences prefer the network programming.

## Free marketplace only answer

**Indeed, the only** reasonable conclusion consistent with the public interest is that stations' programming discretion should not be restricted by artificial Commission-imposed restraints on the choices available, but should be governed by stations' own selections in a free marketplace. In short, the Commission, in fulfilling its proper regulatory role, should not continue to interfere with the marketplace merely to protect the continued profitability of a certain group of program suppliers.

Chronicle has offered compelling arguments that call for the repeal of not just a portion, but the entirety, of PTAR. That result is consistent with the statement of Chairman Fowler and the findings of the Network Inquiry Special Staff. The Prime Time Access Rule presently is working against the public interest by serving as an unwarranted restraint on the free marketplace in general, and by acting as a barrier to the networks' ability to offer an expanded, one-hour newscast for broadcast by affiliates. For these reasons, NBC respectfully suggests that the Commission commence an expedited rulemaking to repeal the Prime Time Access Rule.



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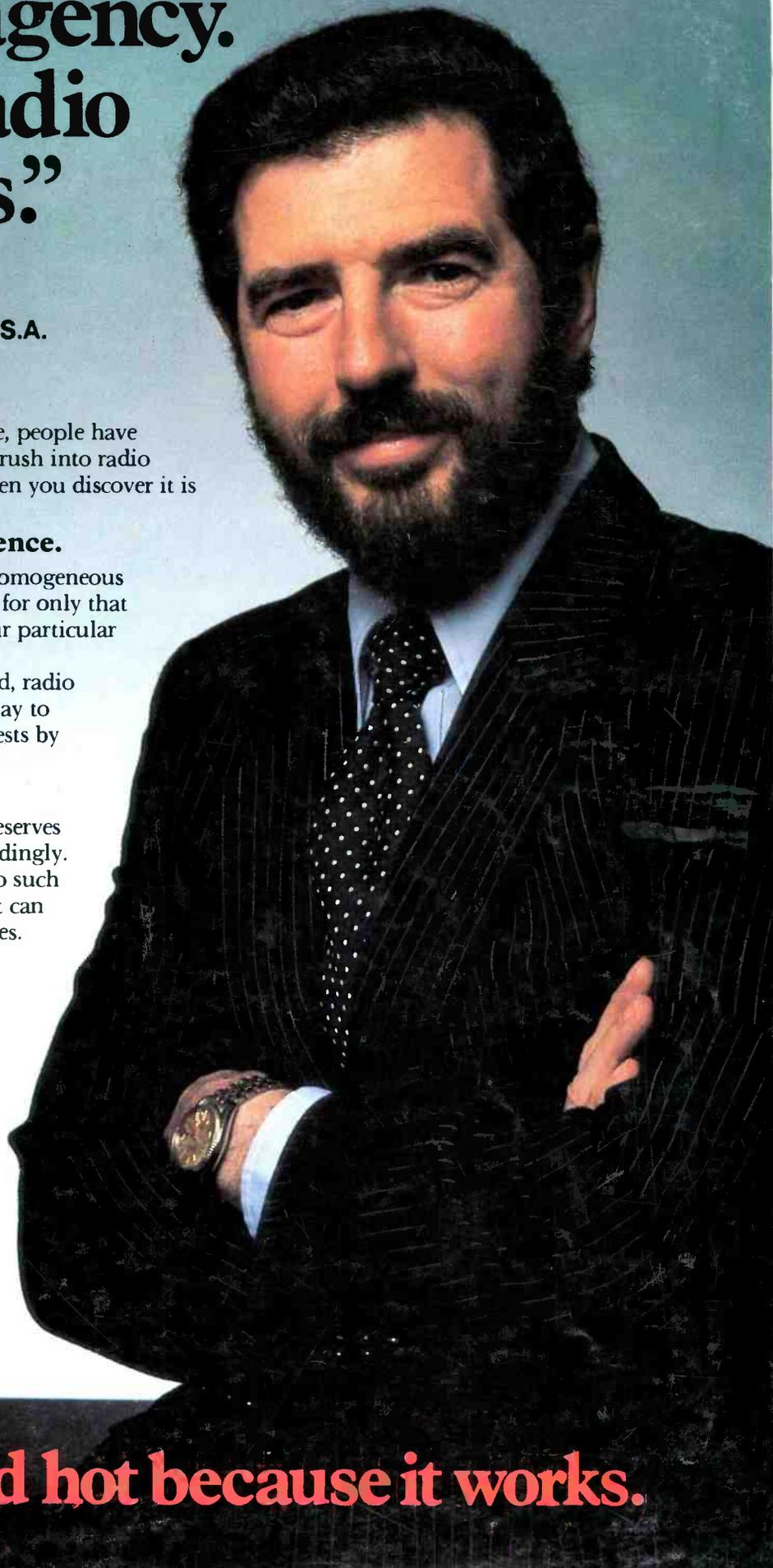
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